



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

LS
7018
115

The War Book

State of Vermont
State Board of Education Google

U S 7018.115



Harvard College Library
THE GIFT OF
GINN AND COMPANY

The War Book

Clyde M. Hill

Supervisor of Junior High Schools

and

John M. Avery

Legislative Reference Librarian

State of Vermont

State Board of Education

1918

✓ US 7018.115


HARVARD COLLEGE LIBRARY
GIFT OF
GINN & COMPANY
MARCH 17, 1927

W

The publication of this Bulletin
is authorized by the
State Board of Control

MONTPELIER
CAPITAL CITY PRESS
1918

INTRODUCTION.

 ANY of our homes must furnish their young men for the army and navy. This involves a large sacrifice and we may depend upon such homes to do all that they can to assist their boys in accomplishing a victory. Everyone, however, must be led to be equally willing to sacrifice for the country's welfare. This can only come about when our boys and girls and their parents come to understand and appreciate the fact that this war is not the concern of any class or group. When we are called upon to endure inconveniences in order that we may save food or fuel it is not for the purpose of helping a food or fuel administrator who may be located in Washington or in our state capital. It is, first of all, to assure that Vermont boys and others who have been called to the colors shall have proper food and sufficient equipment, and then to assist in preventing the starvation of those people who are fighting with us in this great cause.

It is therefore necessary for everyone to know how our armies are raised and cared for. We should also understand why we must produce and conserve every possible bit of food and fuel.

This book has been written for the sole purpose of furnishing this information to Vermont boys and girls. The State Board of Education wishes to express its obligations to Mr. Charles F. Lowe for the careful reading of manuscript and for valuable suggestions in reference to the sections dealing with savings banks; to Mr. Fred A. Howland for the reading of the manuscript and for important suggestions relative to the sections dealing with investments; to Mr. Frank C. Williams, Bank Commissioner, for valuable suggestions in reference to investments and banking; to Captain Stephen S. Cushing of the Adjutant General's office and to Mr. Charles Mitchell of the Naval Recruiting Station at Montpelier for suggestions relating to the army and navy; to the State Fuel Administration for suggestions relating to the fuel situation; to Miss Bessie Bacon Goodrich and Miss Mary

Maud Patrick for help in connection with the sections dealing with teaching methods. Free use has been made of the publications of the National Security League, the American Bankers' Association, and the United States Committee on Public Information.

M. B. HILLEGAS,
Commissioner of Education.

Montpelier, Vermont,
January 28, 1918.

WHY AMERICA FIGHTS.

The outbreak of the European War in August, 1914, came as a complete surprise to the American people. It had always been our policy to refrain from participation in the **August**, affairs of Europe, and the rumblings of the war **1914**. clouds that had been hovering over Europe for the years immediately preceding had not reached our shores. The president immediately issued a neutrality proclamation calling upon all Americans to refrain from partisanship.

"Every man who really loves America will act and speak in the true spirit of neutrality," he said, "which is the **American** spirit of impartiality and fairness and friendliness **Neutrality** to all concerned It will be easy to excite passion and difficult to allay it."

Notwithstanding America's firm pursuit of a course of strict neutrality, the German Imperial Government, through its insidious spy system, spread a network of intrigue and conspiracy throughout the United States which culminated in countless explosions in factories and destruction of bridges and industrial plants. Disregarding the rights of American citizens traveling on the ocean, German submarines attacked and sunk ships on which there were passengers. On May 7, 1915 the **The Lusitania** was torpedoed without warning and 114 **Lusitania** American lives were lost. In response to urgent and earnest attempts on the part of our government to secure reparation and promises for the discontinuance of such illegal submarine warfare, vague and indefinite assurances were made by Germany, only to be altogether broken and finally disregarded, when the German ambassador in this country handed to Secretary of State Lansing on January 31, 1917 a note announcing an unrestricted policy of destruction of merchant ships within the war zone.

Almost immediately there resulted the breaking of diplomatic relations with Germany, the exposure of the rapidly developing machinations of the German spy system in this country and Mexico serving but to increase the growing tensi-
Breaking off Diplomatic Relations.

On the second day of April, 1917, President Wilson read to the Congress, assembled in an extraordinary session, pursuant to executive proclamation, his message, from which the following extracts are quoted:

**Congress in
Special
Session.**

"Gentlemen of the Congress:

The President's Message. "I have called the Congress into extraordinary session because there are serious, very serious, choices of policy to be made, and made immediately, which it is neither right nor constitutionally permissible that I should assume the responsibility of making.

"On the 3rd of February last I officially laid before you the extraordinary announcement of the Imperial German Government, that on and after the 1st day of February it was its purpose to put aside all restraints of law or of humanity and use its submarines to sink every vessel that sought to approach either the ports of Great Britain and Ireland or the western coasts of Europe or any of the ports controlled by the enemies of Germany within the Mediterranean. That had seemed to be the object of the German submarine warfare earlier in the war, but since April of last year the Imperial Government had somewhat restrained the commanders of its undersea craft, in conformity with its promise, then given to us, that passenger boats should not be sunk, and that due warning would be given to all other vessels which its submarines might seek to destroy, when no resistance was offered or escape attempted, and care taken that their crews were given at least fair chance to save their lives in their open boats. The precautions taken were meager and haphazard enough, as was proved in distressing instance after instance in the progress of the cruel and unmanly business, but a certain degree of restraint was observed.

"The new policy has swept every restriction aside. Vessels of every kind, whatever their flag, their character, their cargo, their destination, their errand, have been ruthlessly sent to the bottom without warning and without thought of help or mercy for those on board, the vessels of friendly neutrals along with those of belligerents. Even hospital ships and ships carrying relief to the sorely bereaved and stricken people of Belgium, though the latter were provided with safe conduct through the prescribed areas by the German Government itself and were distinguished by unmistakable marks of identity, have been sunk with the same reckless lack of compassion or of principle.

"I was for a little while unable to believe that such things would in fact be done by any Government that had hitherto subscribed to the humane practices of civilized nations. International law had its origin in the attempt to set up **International Law** upon the seas, where no nation had right of dominion **Shattered**. and where lay the free highways of the world. By painful stage after stage has that law been built up with meager enough results, indeed, after all was accomplished that could be accomplished, but always with a clear view, at least, of what the heart and conscience of mankind demanded.

"This minimum of right the German Government has swept aside under the plea of retaliation and necessity and because it had no weapons which it could use at sea **A Warfare** except these, which it is impossible to employ, as **Against** it is employing them, without throwing to the **Mankind**. wind all scruples of humanity or of respect for the understandings that were supposed to underlie the intercourse of the world.

"I am not now thinking of the loss of property involved, immense and serious as that is, but only of the wanton and wholesale destruction of the lives of noncombatants, men, women, and children, engaged in pursuits which have always, even in the darkest periods of modern history, been deemed innocent and legitimate. Property can be paid for; the lives of peaceful and innocent people can not be. The present German submarine warfare against commerce is a warfare against mankind. . . .

"The challenge is to all mankind. Each nation must decide for itself how it will meet it. The choice we make for ourselves must be made with a moderation of counsel and a temperateness of judgment befitting our character and our motives as a Nation. We must put excited feelings away. Our motive will not be revenge or the victorious assertion of the physical might of the Nation, but only the vindication of right, of human right, of which we are only a single champion. . . .

"With a profound sense of the solemn and even tragical character of the step I am taking and of the grave responsibilities which it involves, but in unhesitating obedience to what I deem my constitutional duty, I advise that the Congress declare the recent course of the Imperial German Government to be in fact nothing less than war against the **Germany** Government and people of the United States; that **Has made** it formally accept the status of belligerent which **War upon** the United **the United** States. has thus been thrust upon it; and that it take immediate steps not only to put the country in a more thorough

state of defense, but also to exert all its power and employ all its resources to bring the Government of the German Empire to terms and end the war

"The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty. We have no selfish ends to serve. We desire no conquest, no dominion. We seek no indemnities for ourselves, no material compensation for the sacrifices we shall freely make. We are but one of the champions of the rights of mankind. We shall be satisfied when those rights have been made as secure as the faith and the freedom of nations can make them

"It is a distressing and oppressive duty, gentlemen of the Congress, which I have performed in thus addressing you. There are, it may be, many months of fiery trial and sacrifice ahead of us. It is a fearful thing to lead this great, peaceful people into war, into the most terrible and disastrous of all wars, civilization itself seeming to be in the balance.

"But the right is more precious than peace, and we shall fight for the things which we have always carried nearest our hearts—for democracy, for the right of those who submit to authority to have a voice in their own Governments, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free people as shall bring peace and safety to all nations and make the world itself at last free.

"To such a task we can dedicate our lives and our fortunes, everything that we are and everything that we have, with the pride of those who know that the day has come when America is privileged to spend her blood and her might for the principles that gave her birth and happiness and the peace which she has treasured.

"God helping her, she can do no other."

On the sixth day of April the House of Representatives passed the following joint resolution which had already been passed by the Senate:

"Whereas, the Imperial German Government has committed repeated acts of war against the Government and the people of the United States of America; Therefore, be it

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the state of war between the United States and the Imperial German **Declaration of War.** Government, which has thus been thrust upon the United States is hereby formally declared; and that

the President be, and he is hereby, authorized and directed to

employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial German Government; and to bring the conflict to a successful termination all the resources of the country are hereby pledged by the Congress of the United States."

Why America is fighting Germany is the question here answered by Secretary of the Interior Lane:

"Why are we fighting Germany? The brief answer is that ours is a war of self-defense. We did not wish to fight Germany. She made the attack upon us; not on our shores, but on our ships, our lives, our rights, our future. For two years and more we held to a neutrality that made us apologists for things which outraged man's common sense of fair play and humanity. At each new offense—the invasion of Belgium, the killing of civilian Belgians, the attacks on Scarborough and other defenseless towns, the laying of mines in neutral waters, the fencing off of the seas—and on and on through the months we said: 'This is war—archaic, uncivilized war, but war! All rules have been thrown away: all nobility; man has come down to the primitive brute. And while we cannot justify we will not intervene. It is not our war!'"

"Then why are we in? Because we could not keep out. The invasion of Belgium, which opened the war, led to the invasion of the United States by slow, steady, logical steps. Our sympathies evolved into a conviction of self-interest. Our love of fair play ripened into alarm at our own peril.

"And so we came into this war for ourselves. It is a war to save America—to preserve self-respect, to justify our right to live as we have lived, not as some one else wishes us to live. In the name of freedom we challenge with ships and men, money, and an undaunted spirit, that word 'Verboten' which Germany has written upon the sea and upon the land. For America is not the name of so much territory. It is a living spirit, born in travail, grown in the rough school of bitter experiences, a living spirit which has purpose and pride, and conscience—knows why it wishes to live and to what end, knows how it comes to be respected of the world, and hopes to retain that respect by living on with the light of Lincoln's love of man as its Old and New Testament. It is more precious that this America should live than that we Americans should live. And this America, as we now see, has been challenged from the first of this war by the strong arm of a power that has no sympathy with our purpose and will not hesitate to destroy

us if the law that we respect, the rights that are to us sacred, or the spirit that we have, stand across her set will to make this world bow before her policies, backed by her organized and scientific military system. The world of Christ—a neglected but not a rejected Christ—has come again face to face with the world of Mahomet, who willed to win by force

"America speaks for the world in fighting Germany. Mark on a map those countries which are Germany's allies and you will mark but four, running from the Baltic through Austria and Bulgaria to Turkey. All the other nations the whole globe around are in arms against her or are unable to move. There is deep meaning in this. We fight with the world for an honest world in which nations keep their word, for a world in which nations do not live by swagger or by threat, for a world in which men think of the ways in which they can conquer the common cruelties of nature instead of inventing more horrible cruelties. **For the** to inflict upon the spirit and body of man, for a **Common** world in which the ambition or the philosophy of a **Man.** few shall not make miserable all mankind, for a world in which the man is held more precious than the machine, the system, or the state."

That the history of the United States made certain the entry of our country into the great war was shown by the Secretary of War, Newton D. Baker, when in a speech he said:

"Things have come to a pass in this world where all mankind must choose whether the nations of the earth are to be **Militarism** autocratic in their government and militarist **or Democracy.** in their pretensions or democratic in their governments and just in their pretensions.

"America has chosen—nay, she chose in 1776—that she **America's** intended to be democratic in her policies and in **Choice.** her government, and our whole history of more than 100 years justifies the statement that our people are wedded and devoted to the idea of international justice as the rule upon which nations shall live together in peace and amity upon the earth.

"So that when we entered this war we entered it in order that we and our children and our children's children might **For Our** fabricate a new and better civilization under better **Children** conditions, enjoying liberty of person, liberty of belief, freedom of speech and freedom as to our political institutions. We entered this war to remove from ourselves, our children and our children's children the menace which threatened to deny us that right."

Secretary of State Lansing in speaking of our war aims, said:

"Let us understand once for all that this is no war to establish an abstract principle of right. It is a war in which the future of the United States is at stake. If any one among you has the idea that we are fighting others' battles and not our own, the sooner he gets away from that idea the better it will be for him, the better it will be for all of us.

"Imagine Germany victor in Europe because the United States remained neutral. Who, then, think you, would be the next victim of those who are seeking to be masters of the whole earth? Would not this democracy be the only obstacle between the autocratic rulers of Germany and their supreme ambition? Do you think that they would withhold their hand from so rich a prize?

"Let me, then, ask you, would it be easier or wiser for this country single-handed to resist a German Empire flushed with victory and with great armies and navies at its **Alone or** command than to unite with the brave enemies **with Allies?** of that empire in ending now and for all time this menace to our future?

"I know that some among you may consider the idea that Germany would attack us if she won this war to be improbable; but let him who doubts remember that the improbable, yes, the impossible, has been happening in this **The Impossible has Happened.** war from the beginning. If you had been told prior to August, 1914, that the German Government would disregard its solemn treaties and send its armies into Belgium, would wantonly burn Louvain, would murder defenseless people, would extort ransoms from conquered cities, would carry away men and women into slavery, would like Vandals of old, destroy some of history's most cherished monuments, and would with malicious purpose lay waste the fairest fields of France and Belgium, you would have indignantly denied the possibility. You would have exclaimed that Germans, lovers of art and learning, would never permit such foul deeds. Today you know that the unbelievable has happened, that all these crimes have been committed, not under the impulse of passion, but under official orders.

"Again, if you had been told before the war that German submarine commanders would sink peaceful vessels of commerce and send to sudden death men, women, and little children, you would have declared such scientific brutality to be impossible. Or, if you had been told that German aviators would fly over thickly populated cities scattering missiles of death and destruc-

tion, with no other purpose than to terrorize the innocent inhabitants, you would have denounced the very thought as unworthy of belief and as a calumny upon German honor. Yet, God help us, these things have come to pass, and Iron Crosses have rewarded the perpetrators."

GERMANY'S WAR AIMS.

As a contrast to the aims and purposes of the United States in the war as stated above by her leaders, President Wilson and Secretaries Lansing, Baker and Lane, the objects of the German warfare may best be shown by quotations from the writings of prominent Germans and from official German documents.

The idea that upon Germany had been imposed by divine command the duty of spreading German culture throughout the world and imposing German rule upon all nations is most clearly expressed in the proclamations and speeches of the present kaiser. In a proclamation to the Army of the East issued in 1914 William II said:

" . . . Remember that you are the chosen people! The Spirit of the Lord has descended upon me because I am the Emperor of the Germans!

"I am the instrument of the Almighty. I am his sword, his agent. Woe and death to those who shall oppose my will! Woe and death to those who do not believe in my mission! Woe and death to the cowards!

"Let them perish, all the enemies of the German people! God demands their destruction, God who, by my mouth, bids you to do His will!"

In a speech made in 1905, nine years before the outbreak of the war the emperor said:

"God would never have taken such great pains with our German Fatherland and its people if He had not been preparing us for something still greater. We are the salt of the earth."

As bearing upon the purposes of Germany in the present war William II in a proclamation dated June 1915, said:

"The triumph of the greater Germany, which some day must dominate all Europe is the single end for which we are fighting."

That the Imperial German Government has for years considered the United States as an eventual military opponent is evident from the writings of her military authors. In a pamphlet published in 1901 for the purpose of encouraging military study in the Army and Navy Club of Berlin written by Baron Franz

Von Edelsheim there is outlined a plan for the invasion of the United States from which the following extracts are quoted:

Military Designs on the United States. "The question for us to consider is what plans must eventually be developed to put a stop to the overreachings by the United States which are detrimental to our interests. It is by armed action that we must ultimately enforce our will upon that country.

"To achieve that purpose, our prime instrument in this case is our Navy. The German fleet would have every prospect of victoriously encountering the naval forces of the United States, as those forces are divided into two sections separated by two oceans (Atlantic and Pacific), which are a great distance apart. But the defeat of her fleet would not compel the United States to sue for immediate peace, because of the vastness of her territory and the immensity of her resources. Indeed, even further successes at sea would not force America to yield, partly because her commercial ports are so well fortified that we could not capture them without heavy losses, and partly because it would be impossible for our naval forces to blockade them all simultaneously

"It is evident, therefore, that naval operations alone would not suffice to bring about the result which we desire. What is needed is combined action by sea and land. Owing to the vast area of the United States it would be out of the question for an army to invade the interior with a view to the conquest of the country. But there is good reason to expect that military operations on the Atlantic coast would prove to be a victorious enterprise. Moreover, the cutting off of the main arteries through which exports from the entire country pass would create such a depressed state of affairs that the Government would be willing to offer us fair conditions of peace

"Indeed it is questionable whether it would be wise to occupy for any prolonged period any large portion of American territory. The mere fact of one or two of their States being invaded would not induce the Americans to ask for peace. They would, however, find themselves obliged to do so owing to the enormous material loss which would be inflicted upon the entire country by our capturing several of the large Atlantic seaport towns, at which converge the threads of the whole wealth of the nation."

The real intentions of Germany toward the United States during the three years of the European war are well exemplified

by the letter of instructions given by the German **Attempts** secretary for foreign affairs to the German minister **in Mexico**. to Mexico in the following dispatch dated January 19, 1917:

"On the 1st of February we intend to begin unrestricted submarine warfare. In spite of this, it is our intention to endeavor to keep the United States of America neutral.

"If this attempt is not successful, we propose an alliance with Mexico on the following basis: That we shall make war together and together make peace. We shall give general financial support, and it is understood that Mexico is to reconquer the lost territory in New Mexico, Texas and Arizona. The details are left to you for settlement.

"You are instructed to inform the President of Mexico of the above, in the greatest confidence, as soon as it is certain that there will be an outbreak of war with the United States, and to suggest that the President of Mexico, on his own initiative, should communicate with Japan suggesting adherence at once to this plan. At the same time he should offer to mediate between Germany and Japan.

"Please call to the attention of the President of Mexico that the employment of ruthless submarine warfare now promises to compel England to make peace in a few months."

President Wilson in his speech delivered flag day, 1917, gave expression to what has long been known to Europeans to have been the true meaning of the German aggressions when he said:

"The demands made by Austria upon Serbia were a mere single step in a plan which compassed Europe and Asia, from Berlin to Bagdad. They hoped those demands might not arouse Europe, but they meant to press them whether they did or not, for they thought themselves ready for the final issue of arms.

"Their plan was to throw a broad belt of German military power and political control across the very center of Europe and beyond the Mediterranean into the heart of Asia; and Austria-Hungary was to be as much their tool and pawn as **Imperial** Serbia or Bulgaria or Turkey or the ponderous **Ambitions**. states of the East. Austria-Hungary, indeed, was to become part of the Central German Empire, absorbed and dominated by the same forces and influences that had originally cemented the German states themselves. The dream had its heart at Berlin. It could have had a heart nowhere else."

Nor were the dreams of Germany confined to the boundary of the old world. German commercial agents in South America had for years been laying the foundations of what they hoped would be a great German state. Maps of South America, as it would be in 1950, in German books show the southern third of the continent as a great German state. The conflict between free America and imperial Germany, between the liberty of the common man under the American system, or the abject slavery of the subject to a German kaiser was an inevitable conflict.

OUR ARMY AND NAVY.

Upon the declaration of war there was at once imposed upon the country the duty of gathering together the resources of the nation in men, money and materials. As forecasted in the message of the president the management of the war "will involve the organization and mobilization of all the material resources of the country to supply the materials of **Organizing** war and serve the incidental needs of the Nation in **for War** the most abundant and yet the most economical and efficient way possible.

"It will involve the immediate full equipment of the Navy in all respects, but particularly in supplying it with the best means of dealing with the enemy's submarines.

"It will involve the immediate addition to the armed forces of the United States, already provided for by law in case of war, of at least 500,000 men who should, in my opinion, be chosen upon the principle of universal liability to service, and also the authorization of subsequent additional increments of equal force so soon as they may be needed and can be handled in training.

"It will involve also, of course, the granting of adequate credits to the Government sustained, I hope, so far as they can equitably be sustained by the present generation, by well-conceived taxation."

The military arrangements immediately made provided for the raising of an army of approximately 1,200,000 men. As here outlined by the secretary of war the problem **Raising an Army.** of raising the army was attacked:

"As you know, the Congress of the United States has ordained that we shall undertake extensive military preparation. It is provided that the Army of the United States shall consist of the Regular Army, the National Guard, and the National Army.

"The Regular Army and National Guard recruited to war strength, and to them ought to be added 500,000 young men between the ages of **21** and 31, drawn from the body **The Draft** of our country by selective processes which will **Law.** recognize the needs of industry, the needs of dependents, and those relations in life which ought not to be sacrificed if our national strength is to be preserved to its maximum efficiency."

As a matter of fact it was found necessary to raise by the first draft 687,000 men. To do this the following plan was adopted. All men between the ages of 21 and 31 were required to register on registration day, June 5, 1917. The **Registration.** lists of those registering were made up and numbers for each registered man were assigned. These numbers were drawn by lot at Washington, the order in which they were drawn being the order in which the men were later called before the local boards throughout the country for examination. As the men were examined, some were excused from service because of physical unfitness, relatives dependent upon them for support or other reasons for which the law provided. In this way the 687,000 men were secured.

The draft law provides that other drafts may be made from time to time from the men who registered. In a letter sent by Provost Marshal General Crowder to the local and district boards throughout the country the plan to be adopted in the second and additional drafts was outlined as follows:

"By the great drawing in Washington the order of availability for all men whose circumstances were equal was determined. We shall not disturb this order unless some great need of the Nation requires it. We shall make four classes of temporary and contingent discharges, but within each class (including the class of those immediately available) men shall stand in the order determined by the drawing.

"The unit for classification is the jurisdiction of a local board. The first class in any jurisdiction will meet all calls until it is exhausted, whereupon the second class becomes available.

"You have before you a sheet showing the classification that must be accomplished. Without permitting yourselves, for the moment, to be appalled by the magnitude of the task, I **Method of Classification.** ask you to suppose that the 10,000,000 registrants in the United States have been segregated into these five classes. In Class I we shall then have, in every community, immediately available for military service single men and a few married men whose removal will not disturb the reasonable adequate support of their dependents. In the industrial and agricultural aspect, we shall then have segregated into this class, men who have not especially fitted themselves for

industrial or agricultural pursuits so that our only incursion into the labor supply will affect but a small percentage of unskilled labor.

"In Class II we find men who can be taken without disturbing the support of any dependent and, as I shall presently show you, if the necessity of drawing on Class II arrives, we must demand even from agriculture and industry an adjustment to replace a small percentage of skilled labor affected by the draftmen who, while occupying no pivotal or important position, can serve industry or agriculture better than unskilled men.

"Should the pinch of military necessity increase beyond Class II, it would mean that the Nation would have to begin to commit itself to hardship and to an adjustment in agriculture and industry to meet the paramount necessity. We take in Class III a very small class of persons upon whom others are dependent for support, but we do not break up the closest and most sacred of the family relationships. We also invade the field of agriculture and industry to the extent of taking, in the small percentage affected, men who have specialized themselves or who occupy rather pivotal positions.

"In Class IV we find the men whom we shall take as a last resort. Before that class is reached it is perfectly safe to say that by the addition of other classes as to age, say those who have attained 21 since registration day and perhaps adding the classes of 18 and 19 and 20 years' old men, we shall have included two or three million men in our available list, and thus have saved Class IV.

"Class V comprises the field of absolute exempts."

The classes referred to in the letter of Provost Marshal General Crowder are given in the regulations as below:

CLASS I.

Single man without dependent relatives.

Married man, with or without children, or father of motherless children, who has habitually failed to support **The Classes** his family.

Married man dependent on wife for support.

Married man, with or without children, or father of motherless children; man not usefully engaged, family supported by income independent of his labor.

Unskilled farm laborer.

Unskilled industrial laborer.

Registrant by or in respect of whom no deferred classification is claimed or made.

Registrant who fails to submit questionnaire and in respect of whom no deferred classification is claimed or made.

All registrants not included in any other division in this schedule.

CLASS II.

Married man with children or father of motherless children, where such wife or children or such motherless children are not mainly dependent upon his labor for support for the reason that there are other reasonably certain sources of adequate support (excluding earnings or possible earnings from the labor of the wife), available, and that the removal of the registrant will not deprive such dependents of support.

Married man, without children, whose wife, although the registrant is engaged in a useful occupation, is not mainly dependent upon his labor for support, for the reason that the wife is skilled in some special class of work which she is physically able to perform and in which she is employed, or in which there is an immediate opening for her under conditions that will enable her to support herself decently and without suffering or hardship.

Necessary skilled farm laborer in necessary agricultural enterprise.

Necessary skilled industrial laborer in necessary industrial enterprise.

CLASS III.

Man with dependent children (not his own), but toward whom he stands in relation of parent.

Man with dependent aged or infirm parents.

Man with dependent helpless brothers or sisters.

County or municipal officer.

Highly trained fireman or policeman, at least 3 years in service of municipality.

Necessary customhouse clerk.

Necessary employee of United States in transmission of the mails.

Necessary artificer or workman in United States armory or arsenal.

Necessary employee in service of United States.

Necessary highly specialized technical or mechanical expert of necessary industrial enterprise.

Necessary assistant or associate manager of necessary industrial enterprise.

CLASS IV.

Man whose wife or children are mainly dependent on his labor for support.

Mariner actually employed in sea service of citizen or merchant in the United States.

Necessary sole managing, controlling, or directing head of necessary agricultural enterprise.

CLASS V.

Officers—legislative, executive, or judicial of the United States or of State, Territory, or District of Columbia.

Regular or duly ordained minister of religion.

Student who on May 18, 1917 was preparing for ministry in recognized school.

Persons in military or naval service of United States.

Alien enemy.

Resident alien (not an enemy) who claims exemption.

Person totally and permanently physically or mentally unfit for military service.

Person morally unfit to be a soldier of the United States.

Licensed pilot actually employed in the pursuit of his vocation.

Member of well-recognized religious sect or organization, organized and existing on May 18, 1917, whose then existing creed or principles forbade its members to participate in war in any form, and whose religious convictions are against war or participation therein.

The men selected for the national army are ordered to report at training camps which have been established throughout the country. These training camps or cantonments as they are called are small cities in themselves with complete lighting, sewer and water systems of a size sufficient to accommodate about 40,000 men each. In addition to the 16 training camps for the drafted men of the national army there are 16 cantonments for the national guard located for the

most part in the southern part of the country. The men drafted from New England and a part of those from New York are trained at Camp Devens, Ayer, Massachusetts.

The organization of the navy on a war basis did not present so difficult a task as that of the expansion of the land forces of the nation, as such a large number of men were not required. Figures from the report of the secretary of the navy recently made public (December, 1917) show that since January first, 1917 the naval force has increased from 4,500 officers and 68,000 men to **The Navy.** 15,000 officers and 254,000 men. At the present

time the navy is recruited almost to its maximum strength although it is probable that with the progress of the war the maximum strength will be increased, and, of course, enlistments will be required to keep it continuously at full strength. Training camps for the navy have been established at various places, the largest being located at Newport, Rhode Island; Norfolk, Virginia; Mare Island, California; Puget Sound, Washington and Great Lakes, Illinois.

SUPPLYING OUR FORCES.

Almost equal in difficulty to the task of raising an army and navy was the problem presented of equipping and supplying the forces to be organized. Not only guns and ammunition but also food, clothes, methods of transport and shelter had to be provided. Training camps and mobilization camps had to be erected.

Some idea of the actual work necessary in procuring and organizing the materials necessary for the war may be gathered from the following list prepared by army officers of what is required for an army of a million men.

750,000 rifles and bayonets for them to fight with.	
265,000 pistols—little brothers of the rifle.	
8,000 machines guns, the military scythe.	
2,100 field guns to batter down attack.	What a Million Men Need.
165,000,000 cartridges to carry them into their first fight, and as many more for each succeeding fight.	
2,500,000 shells and shrapnel for our field guns for every hour they are in action.	
196,000 horses to carry them and pull their gun carriages.	
127,000 mules to haul their supplies and pack their guns.	
8,000 wagons to transport their supplies and ammunition.	
1,000,000 cartridge belts for their ammunition.	
1,000,000 first-aid packets to bind up their wounds.	
1,000,000 canteens.	
Each of them must have uniform and equipment:	
1,000,000 shelter-halves to protect them from the weather.	
1,000,000 ponchos to keep them dry.	
2,000,000 blankets to keep them warm.	
2,000,000 pairs of shoes.	
2,000,000 uniform coats, breeches, leggings, suits of underwear.	
1,000,000 hats.	
2,000,000 shirts.	
4,000,000 pairs of socks.	
1,000,000 haversacks to carry their equipment.	
Finally they must eat:	
1,000,000 pounds of meat each day.	
1,000,000 pounds of bread each day.	
2,000,000 pounds of vegetables each day.	
3,000,000 pints of coffee or tea each day.	

All this must be purchased, transported, prepared and cooked each day, and to eat it they must have:

1,000,000 cups.

1,000,000 plates.

1,000,000 knives.

1,000,000 forks.

1,000,000 spoons.

To provide for proper care, training and lead in battle they should have:

25,000 trained officers.

Most of the items listed above the government purchases from the manufacturers or dealers. Some supplies such as ammunition and rifles the government manufactures in its own factories and it may at any time build and equip additional factories or take over the operation of plants privately owned. Because of the increased demands for all sorts of goods prices have risen and it has been necessary for the government in

Fixing Prices. many cases to fix a price for which a dealer or manufacturer must sell his goods. Care is taken to see that such price insures the seller a fair profit else there would be no encouragement for him to continue in business.

Two of the biggest problems put up to the United States in connection with supplies result from the shipbuilding and aviation programs. The need for the construction of ships and the steps in the program so far made are well outlined in the following extract from an article in the Current History Magazine:

"The destruction of allied and neutral shipping since the war began in 1914 and the diversion by the Allies of an enormous amount of tonnage from normal trade channels had already, before the United States became a belligerent, forced this country to consider very seriously the problem of creating a mercantile marine of its own on a scale commensurate with its commerce. Ever since the civil war the United States has occupied a secondary position as a carrying nation. It has depended upon foreign ships for its ocean transportation, although for half a century efforts were repeatedly made to establish a mercantile marine.

"The European war accentuated the problem. The Government was urged to take the matter in hand, and finally President Wilson secured the passing of legislation which authorized the appointment of a Shipping Board and the creation of a corpora-

tion to build ships. It was provided that the majority of the stock in this corporation should be held by the Government. Again there was delay, but our entry into the war hastened events, and on April 16, 1917, the Emergency Fleet Corporation was organized by the Shipping Board, Congress authorized the use of \$50,000,000, and work was immediately begun to build a vast fleet of both steel and wooden ships to transport supplies to the Allies and thus frustrate the German submarine campaign. Contracts were awarded to various ship-building firms, and shipyards on both the Atlantic and Pacific Coasts began to hum with increased activity.

"The first warlike act of the United States on entering the war was to seize all the German merchant ships laid up in the ports of the United States and its insular possessions. As many of these ships had been disabled by their crews, work was immediately begun to repair them. Early in June fourteen of the seized ships were assigned to the service of the Navy Department and renamed, while at the end of the same month President Wilson signed an executive order authorizing the Shipping Board to take 'possession and title' of eighty-seven of the German-owned ships, representing 500,000 tons."

Later plans of the Shipping Board provide for the building of over 1200 ships of approximately 8,000,000 tons which necessitates an appropriation of an additional billion dollars bringing the total amount required for building, commandeering and purchasing vessels up to **\$2,000,000,000. Two Billions for Ships.**

Three government owned ship building yards for the erection of steel ships have been erected or are in process of construction at each of which it will be possible, after the first pattern ship is turned out, to produce one 5,000 ton steel vessel every two working days.

The war aircraft bill passed by Congress and signed by President Wilson on July 24 appropriated \$640,000,000 for the purchase of airplanes and aviation work. The payment and training of a force to man the machines, equipment, overseas maintenance, spare parts, flying stations, armament, and scientific apparatus is also to be paid for out of the appropriation.

The magnitude of the task may be understood when it is known that the appropriation is greater than the amount expended for all army and navy purposes in the year ending June 30, 1916.

FOOD AND FUEL.

In normal times the production and distribution of the food supply of our nation is a purely private matter. With the coming of war, however, food assumes a new and vital relation to the organization of the country and it may prove the decisive factor in winning the war. Upon taking the position of Food Administrator, Herbert Hoover clearly outlined the needs for greater production and more careful conservation of the food supplies of the country in a statement from which the following is quoted:

"The deep obligation is upon us to feed the armies and peoples associated with us in this struggle. The diversion of 40,000,000 of their men to war or war work; the additional millions of women drafted to the places of their husbands and brothers; the toll of the submarine, have all conspired to so reduce production that their harvests this autumn will fall 500,000,000 bushels of grain below their normal production. Always dependent upon import from other countries for a substantial part of their food needs, our western European allies, because of the destruction of shipping by submarine and the isolation from the normal markets by belligerent lines, are forced to a large degree upon our markets, not only as the nearest but as the only market capable of relieving their bitter necessities.

"Therefore, whereas, we exported before the war but 80,000,000 bushels of wheat per annum, this year, by one means or another, we must find for them 225,000,000 bushels, and this in the face of a short crop. Our best will but partly meet their needs, for even then they must reduce their bread consumption twenty-five per cent, and it will be war bread they must eat—war bread, of which a large proportion consists of other cereals.

"Already the greater call for meat and animal products, due to the stress of war on the millions of men on the fighting line and the enhanced physical labor of populations ordinarily subsisting on lighter diets, coupled with the inadequate world supply, have compelled our allies to kill upward of 33,000,000 head of their stock animals. This is burning the candle at both ends, for they are thus stifling their annual production. Therefore, not only must we increase their supplies of meat and dairy products, but must prepare, as war

goes on, to meet an even greater demand for these necessary commodities.

"France and Italy formerly produced their own sugar, while England and Ireland imported largely from Germany. Owing to the inability of the first named to produce more than one-third of their needs, and the necessity for the others to import from other markets, they all must come to the West Indies for very large supplies and therefore deplete our resources. **The Scar-city of Sugar.**"

"Because of the shortage of shipping only the most concentrated of foods, wheat, grain, beef, pork and dairy products and sugar can be sent across the seas. Fortunately we have for our own use a superabundance of foodstuffs of other kinds—the perishables, fish, corn, and other cereals—and surely our first manifest duty is to substitute for those other products which are of greater use to our fellow fighters."

The law passed by Congress under which the food administration was established is known as the food control law and has for its main purpose the control of the distribution of foods, fuel, fertilizers and implements used in the production of food. To secure this control provision is made for licensing dealers in food stuffs, requisitioning supplies for the government for war purposes, preventing speculation in necessities, giving authority to the president to buy and sell certain commodities, fixing a minimum price for wheat, appropriating money to enable the government to buy fertilizers and sell the same to farmers, imposing severe penalties against hoarding foods, giving authority to the president to establish a fuel administration which should supervise the production, distribution and fixing of coal prices with authority to take over and operate mines. **The Food Control Law.**

The need for the establishment of control over fuels arises from several causes. The severe winter and late spring of last year used up completely the fuel supply which was on hand, it being estimated that as a result of this one factor there is a need for twenty-five per cent more coal and wood in Vermont this year than in former years. The rapid expansion of the army and navy causing a demand for coal for use in camps, munition factories and battle ships requires 4,000,000 tons of coal more than the normal supply. Because of the operation **The Fuel Shortage. Four Million Tons of Coal, for Army and Navy.**

of the selective draft law many miners have been drawn from the mines and thus there has been a labor shortage when the need for increased production was greatest. Because of the unusual traffic on the railroads due to the movement of troops, supplies for the cantonments and for the various factories engaged in producing war equipment, there has been a much greater consumption of coal by the railroads than normally. All of these factors combined caused the government to organize the fuel administration, and make it necessary that throughout the country the greatest care be taken in conserving fuel, and foresight be used in securing so far as possible supplies of coal and wood not only for this but for next year.

THE WORK OF RELIEF.

Some of the most efficient work of caring for our soldiers and sailors, in looking after their physical comfort and furnishing amusement in their hours of leisure is done by organizations independent of the army and navy, although officially recognized and commended by the government. These organizations rely for financial support upon gifts from the general public. Of most conspicuous usefulness along this line may **The Red** be mentioned the Red Cross, the Young Men's **Cross**.

Christian Association and the Knights of Columbus. There is here given a statement of the work which the American Red Cross does, quoted from a pamphlet issued by that organization:

"The American Red Cross has enlisted, organized and equipped 49 hospital units made up of the finest doctors and nurses in the country, competent to **Hospitals**. care for 25,000 patients at one time; more than 10,000 Red Cross nurses, in addition to 3,000 on active duty, are enrolled for service as needed. It has turned over to the Army Medical Corps more than 12 hospital units which are now serving in France. One of these hospitals was bombed by a German aviator not long ago at eleven o'clock at night. Within one minute after the final explosion the doctors and nurses were at work gathering up the wounded and the surgeons operated all night to save the soldier-patients who had been twice wounded.

"It has distributed nearly half a million sweaters and other knitted garments for soldiers' use. In addition to **Knitted** comfort kits and many other contributions to the **Goods**. welfare of those in camp and active service, it has sent a Christmas gift to every man in service abroad and to hundreds of thousands of those in training at home. It has given soldiers en route to camp a hearty welcome at a thousand American railroad stations. One little town in Iowa served 1142 men with home-made apple pie in a single day, and every man got a quarter of a pie.

"It has established rest stations, infirmaries and canteens along the line of communication of the American Army in France, to care for those who drop out in case of sickness. Some of these canteens can feed a thousand soldiers an hour. It is preparing splendid recuperation camps to which men can go to keep themselves fit for fighting; it is providing recreation and cheer for convalescents in the hospitals.

"It is helping to care for the wounded in the Great War, for your own boy in the American Army, and for his Allies. It is doing this by maintaining, in whole or part, five hospitals in France and four in England; by supplying to 3,500 **Surgical Dressings and Supplies.** military hospitals in France surgical dressings, drugs, apparatus and other needful supplies, gathered from all over the United States and held in great warehouses in France for use as needed. Thirteen million surgical dressings, hospital articles and garments have been shipped abroad by the American Red Cross since April 1, 1917.

"It has organized its Chapters in every State for Home Service to the families of American soldiers and sailors, supplementing Government grants of money by all the friendly assistance which intelligent and sympathetic workers can provide. Similarly it has appropriated One Million Dollars for relief of sick French soldiers and their families. One of the greatest services that the Red Cross can render in this war is to look after the families at home. A man will be a better fighter at the front when he knows that his family is properly cared for at home . . .

"It has opened refuges and hospitals for French war orphans and other sick and neglected children in France and Belgium, and has sent doctors to care for mothers and babies so as to save the next generation for France. **War Orphans.**

"It is helping to care for half a million tuberculosis victims in France, maintaining its own sanitariums, looking out for children who have been exposed to infection, **Reconstruction Work.** visiting and relieving the families of those who are ill. There are more than half a million cases of tuberculosis in France now.

"It is helping in the tremendous task of restoring a million and a half French refugees to normal life. Four warehouses in the devastated zones are filled with food, clothing, furniture, tools and household goods of many sorts which are distributed to many families. Ruined villages are being rebuilt, farms are being tilled again, families are being reunited, because the Red Cross is there to help.

"It has gone speedily to the relief of Italy with three-quarters of a million dollars and nearly fifty carloads of needful supplies. It has carried aid to Russia and Belgium and is helping to feed and clothe the miserable remnants of the people of Serbia. It is sending more than a million dollars' worth of necessary supplies to Roumania, where soldiers' wounds have been treated with sawdust for lack of just such help."

As is evident from the above, the Red Cross, in addition to the work on the battlefields and in hospitals, furnishes aid for the civilian population of devastated countries. A remarkable instance of the efficiency of the Red Cross in **Emergency Work.** this capacity is shown by the speed with which physicians and nurses with medical and surgical supplies and food were rushed to the scene of the recent Halifax disaster.

The Young Men's Christian Association in cooperation with the Young Men's Hebrew Association has **Y. M. C. A.** established buildings throughout the cantonments in this country and is erecting buildings at the army camps in Europe. These buildings are in charge of secretaries appointed by the association and have large meeting rooms **Amuse-ments for the Soldiers.** for moving picture entertainments and concerts, correspondence facilities, rooms for educational classes, also games and phonographs. The buildings will also be available for religious services. Similar buildings have also been erected or are in process of construction by the **K. of C.** Knights of Columbus. At these buildings and at other places throughout the camps, both in this country and in Europe, and on ship-board, there are camp libraries furnished by the American Library Association, **Books.** which provide reading matter for the soldiers and sailors.

PAYING FOR THE WAR.

The assembling of a vast army and navy, the production and transportation of supplies and munitions of war, the building of a great fleet of transport and cargo-carrying ships, the furnishing of financial aid to our allies, all require that the government raise vast sums of money far in excess of any pre-war requirements.

For the first year of the war, the business year of the government which ends June 30, 1918, it is estimated that our expenditures including seven billions of dollars loaned to our allies will total over eighteen billion dollars. It is difficult to conceive of such a large sum of money. If it were all in one dollar bills laid on the ground like a carpet it would make a belt eighteen feet wide, wider than the average school-room, extending all the way around the world.

There are two ways for the government to raise money. The constitution provides that "Congress shall have power to lay and collect taxes" and "to borrow money on the credit of the United States." It has been estimated that the tax laws in effect when war was declared would raise approximately one billion dollars this business year. When this amount was subtracted from the eighteen billion dollars required this year there was left to Congress the problem of securing by additional taxes or by loans seventeen billion dollars.

After several months of debate Congress finally passed a war tax bill laying taxes which it is estimated will bring into the treasury about two and a half billion dollars. The principal sources of this vast increase are increased taxes on incomes, liquors and tobacco; taxes on excess or war profits; taxes on facilities furnished by public utility companies as railroad transportation and freight, express, telephone and telegraph service; taxes on automobiles, musical instruments, sporting goods and jewelry; taxes on perfumery, chewing gum and patent medicines; taxes on admissions to amusements; increased postal charges.

The government has inaugurated a program of securing funds directly from the people by a sale of liberty bonds. Already over five billion dollars worth of these bonds **Liberty Bonds** have been sold and additional issues have been **Bonds** authorized by Congress. Authority has been granted for an issue of war savings certificates and stamps to the sum of two billion dollars, a method by which even the smallest investor may hold government securities.

In speaking of the objects for which the liberty bonds are issued, Secretary of the Treasury McAdoo said:

"Money is raised in two ways—by taxation and by bond issues. The Congress has just passed a taxation measure which imposes heavy burdens upon the American people, but those burdens are insignificant as compared with the sacrifices that the men who are going to fight for you are going to make. But the amount we raise by taxation is not sufficient, and we must raise by bond issues between now and the thirtieth day of June, 1918, approximately \$14,000,000,000.

"To what uses are the proceeds of these Government bonds to be put? Eight billion dollars is going to be used to equip 2,000,000 to 2,500,000 soldiers in the field—to furnish them arms, ammunition, clothing, food and ordnance—to give them the best equipment any soldier ever had; \$1,450,000,000 to strengthen our Navy and to give every tar upon our battleships, our cruisers, our submarine chasers and torpedo-boat destroyers the protection he ought to have; \$750,000,000 to create an air fleet manned by American operators and pilots; \$1,300,000,000 or more to construct a great merchant marine to preserve the line of communication across the Atlantic between America and our boys upon the fields of France, and to carry our commerce, the products of our farms, of our mines and of our factories to all the nations of the earth.

"A part of those funds will be used to take care of the dependent wives and children of the men who go to the Front; to pay them just compensation and indemnities for partial or total disability; and if their injuries are of **Caring for Dependents** such a character that they cannot resume their previous occupations we intend to use enough of these funds to reeducate them into some form of service where their remaining days can be made as happy and useful as possible.

"We intend also to give to our men the right to buy life insurance at cost from the Government. Do you realize what

we do to a man when he volunteers or when he is drafted into the Army? The moment he puts on the uniform, whether he volunteered or was drafted, the Government in effect conscripts his earning power above \$396 a year. He may have been earning in private life \$1200 to \$5000 per annum—it makes no difference; the minute he enters the Army his earnings are reduced to \$396. In addition to that the Government takes his life, if necessary, for his country. The moment he enters the Army or Navy it makes no difference how stout his heart or strong his sinews or clear his brain or good his eyesight, or how perfect every vital function, he cannot get a dollar of life insurance in **Insurance for Soldiers.** any life-insurance company in the United States except at prohibitive rates. What is our duty?

Our duty is to restore the destroyed earning power of that soldier as far as we can do it by giving him the satisfaction of knowing that the Government will not allow his dependent wife and children to starve or be dependent upon casual charity. We owe it to those men also to restore their insurability."

Whether the form in which the Government takes our money be taxes or loans, in the last analysis the only way the war can be paid for is by someone, or better every one, doing without. If our government must have motor trucks, private individuals must do without pleasure cars, for both cannot be manufactured. Not only must there be a tremendously increased production of war goods—ships, shells, guns, rifles, medical supplies,—but this production must be made with fewer men, or with women transferred to the ranks of industry, as large numbers of men have been called to the battle lines. We must therefore do without the unnecessary things. "Extravagance now costs blood, the blood of heroes."

THRIFT.

There never was a time in the history of the world when thrift was so important a subject as it is today. The enormous cost of the war and the incident high cost of living have impressed upon the minds of the people the necessity of thrift more emphatically, more seriously, than ever before in American history. It would be difficult to estimate the permanent good which will come to us as a nation and as individuals from the solemn lessons which the world's greatest war will teach us. Not the least valuable of these will be our lessons in **Importance** thrift. Saving is a matter of habit. **Habits are of Thrift.** more easily formed in youth than they are changed in age. Enforced thrift will entail many fancied hardships upon people who have never formed the habits of saving. The boys and girls of this generation will have strong incentives to save. The opportunities for the investment of small amounts are available on every hand. It will be easy for our boys and girls to acquire a habit of life long value and at the same time to lay by a sum of money which may be invested in a farm, stock, or business or which may provide for a college education. Psychologists tell us that habits are more easily formed if we are interested in forming them,—if we derive pleasure and satisfaction from doing the thing which we desire to become a habit. The value of thrift in the lives of our best informed and most successful men is best shown by quoting extracts from their writings on the subject.

A text book on thrift used in the elementary schools of Philadelphia answers the question of "What is thrift?" in this way:

"Thrift is a composite virtue. It includes economy, self-denial and saving; but it is no relative of niggardliness or meanness. The man who would let his grandmother starve; the boy who would disregard his parent's rightful wishes is not thrifty, but a brute in the former case, and the makings of a brute in the latter case.

"Any virtue that is carried to extremes becomes undesirable and no longer a virtue. The thrift that does not make a man charitable sours into avarice. Thrift means better homes, better citizens, more comforts, more enjoyments, little waste, little anxiety—peace. Out of it grows productive energy, steady courage, opportunity, independence, self-respect, aimfulness in life, manhood. It is the one material habit that has no shady side. It is acquired little by little—a steady pressure (in the right direction) until it becomes second nature to save and thrift becomes a habit.

What is Thrift?

Figure how much you can save,
Not how much you will have to spend;
By the first way you encourage a savings frame of mind,
By the second you keep your spending frame of mind."

There follow quotations from a thrift talk to men by W. H. Kniffen, vice-president First National Bank, Jamaica, New York.

"Before you can practice a virtue you must know what it is. When we speak of thrifty people, we are apt to picture them living on cheap food, in cheap quarters, wearing shabby clothes, having little or no pleasures, and saving every cent possible.

What But that is not thrift—far from it. Thrift is a
thrift is not. greater virtue than the mere saving of money.
Don't forget that.

"The prudent man looks ahead and gets ready. The frugal man lives carefully and saves persistently. The economical man spends judiciously, buys wisely and wastes nothing. The industrious man works hard and saves hard; the miser hoards; but the man of thrift earns largely, spends wisely, plans carefully, manages economically and saves consistently. Thrift is all of prudence, economy, frugality and industry—and "then some." Thrift is that instinct of the dog that buries the bone he doesn't want for to-morrow's wants; the instinct of the squirrel that knows nutting is out of season in winter.....

Mr. Kniffen's definition of Thrift.

"To enumerate the benefits of thrift would be equivalent to enumerating the benefits of a sound body, for all that health

is to the physical man thrift is to the temperamental Thrift is a and the material. Thrift is conducive to good Good Habit. habits, and inasmuch as good habits make good character, thrift is good character.

"Thrift is the antidote of worry, which is the most distressing of human emotions. To worry about the future is Thrift, an common to man, but not to the animals—they work Antidote for Worry. for the future and plan for it. Thrift avoids the worries of life as no other habit can. It is good medicine for the blues.

"Thrift does for the individual what thrift does for the nation—it makes for strength. It is the surest foundation upon which a man can build. Note the successful Thrift men of your town. Do they waste their substance? makes for Strength. Do they live beyond their means? Yea, verily, they are the frugal men, the solid men, the thrifty men. They have managed well.

"The thrifty man does not live on mush and milk, but on porterhouse—treated right. He does not wear shabby clothes, but well-tailored ones—treated right. He has few amusements, but good ones. He does not go out often, but goes well when he does—and remembers it, because of the quality and the rareness. Theaters every night are bores.

"This virtue of thrift is the most important habit you can cultivate, the most profitable and the most satisfactory. You can see what it does—it works here, not hereafter. Waste is the most costly evil you can tolerate in your material Waste, a life. Thrift will get you further up life's ladder than Costly Habit. any other quality, and waste will carry you down faster. Thrift of time will do more to give you an education than all the colleges, and thrift of food will make you better fed than a Broadway habitue. Thrift of money will make you independent of the loan shark, the pawnbroker and the landlord.

"First learn to distinguish between luxuries and necessities. You do not need all you think you need, and certainly not all

you buy. You want things because you see them—that is what shop windows are for. Second, learn to know good value.

**Three
Thrift
Rules.**

Learn where and when and how to buy. Learn to know good meat from bad, nourishing from the worthless. Learn to judge clothing and shoes, and buy good material—it pays in the end. Third, keep track of your expenses. Know how much it costs you to live, and how much you spend on various items of the household. Limit your “pleasure money” and choose wholesome pleasures. If you like the theater, learn where to see the good plays at reasonable prices, and go consistently.

“You must realize, early or late, that if you have one thing worth while you may have to do without other things not worth while. You must learn that sacrifice means satisfaction. Deny yourself little things to get the big. Save on cigars and drinks and ride in a car. Save on the car and own a home. . . .

“Saving money is like swimming; you just save, that’s all. There is no patent way. You can only do it by spending less than you earn. Twice two makes four, and every little bit added to what you have makes just a little bit more, and once you get the saving habit, you necessarily find a good bank, open account and keep it up—that’s all. It’s not how hard you work that gets you ahead, it’s how hard you save!

“Thrift will bring you success, save you from worry, make you a better husband, father and citizen, a better asset to the state, a benefactor to your country, and most of all, a profitable and indispensable employee to the business in which you are engaged and from which you make your living. Your job is to make a good living and make a good living long, and thrift will teach you how.”

James J. Hill was born on a farm in Ontario. The death of his father when James was very young necessitated his leaving school. He obtained employment in a store and received four dollars a month for his services. From this modest beginning he became the foremost authority on

transportation and was one of the leading financiers of America. His suggestions on thrift will interest Vermont boys and girls.

"Thrift is not a virtue of tomorrow, but of today. The young man who puts off until he is earning a larger income or has satisfied some present want, or for any other reason, the effort to spare and accumulate is pretty sure never to begin unless under the pressure of misfortune. And it is really true that only the beginning is difficult. The first fifty or one hundred dollars are slow to gather, and look unimportant even after they have been saved. But there is magic in the fact. The income from investment, however trifling, confers a sense of power and carries a promise that allures. More important than all, a habit of saving has begun to push a sprout through the crust of indifference and self-indulgence. Independence in character **His Idea of** asserts itself. Purpose strengthens. Possibilities **Thrift.** appear. Thrift is a rare discipline in self-control. Presently there is a new man and a new force in the world.

"Thrift ought to be taught as part of the alphabet of virtue. Unless a young man has learned it before he is thirty years of age the chances are that he will remain all his life among **Must Learn** the incompetents, the spenders and the wasters. **Thrift** Every man who has saved a dollar has cut one solid **Early** step in the face of a precipice, where he may momentarily stand. Without it he would presently fall into space and be forgotten. Resting on it he can cut another foothold, broader and more secure. And so all heights are scaled. This is an old prescription for material, mental and moral advancement; but it has been the law of the world from the beginning, and there is no reason to think that it will ever be superseded or that it can ever with safety be defied."

"By thrift we do not mean the hoarding of money, but the intelligent saving and investing of it. This saving and wise investing—this thrift—must not be confined to mere money and other material wealth, but must be applied to the elements of mind and body—for in thrift to make for growth **Henry Ford** there must be a surplus of human power, and in just **on Thrift.** such proportion will the income work for your health and your habits, and also lay up a portion of it to have, and to hold, and to use when some of the unlooked-for contingencies of life arrive.

"The great street car systems of the country get their power from central stations, direct from generators, but they are also ever storing in batteries a sufficient quantity of **An Illustra-** current so that when the producing machinery shall **tion.**

be incapacitated for a season there will be something to draw on so that the wire may at all times be kept alive and the cars moving.

"Get a battery for yourself, in the shape of a bank account, and see that day by day something is stored up for the time when either your producing mechanism may be incapacitated or be worn beyond repair."

It was in 1732, nearly two hundred years ago, that Benjamin Franklin published his first almanac and began his series of "Poor Richard's" little lessons on thrift that became known as "Poor Richard's" sayings.

Twenty-five years later, Franklin, to use his own words, "assembled and formed these sayings into a connected discourse as the harangue of a wise old man to the people attending an auction. The piece being universally approved, was copied in all the newspapers of the continent, reprinted in Britain on a broadside to be stuck up in houses, two translations were made of it into French. In Pennsylvania, as it discouraged useless expense in foreign superfluities, some thought it had its share of influence in producing that growing plenty of money which was observable for several years after its publication."

No single piece of American literature, it may be confidently said, has had the vitality of the address of Father Abraham at the auction. The proverbs are almost as familiar now as they were then. They have been published in every language known to man, and are to-day to be had at the book stores with "Gulliver's Travels" and "Robinson Crusoe".

How familiar are:

Time enough proves little enough.

Drive thy business, let not thy business drive thee.

Have you somewhat to do to-morrow, do it to-day.

It is hard for an empty bag to stand upright.

Now I have a sheep and cow my neighbors bid me good morrow.

Three removes are as bad as a fire.

If you would have your business done, go; if not, send.

"But how does it happen that so honorable a word as thrift has fallen into a certain disrepute as prosperity has come, a disrepute not so much among the wasteful and extravagant as among the progressive and enterprising? Why has "thrifty" become a mark of low esteem in the eyes of the community?

"The argument for saving runs so easily into an apology for niggardliness, so many evasions of the plain responsibilities of the well-to-do are cloaked under the pretense of economy, that it has become a question whether what needs most **What** impressing upon any American community is saving **Causes** on the part of those who ought to save, or spending **Want.** on the part of those who ought to spend. It has become a question whether the wants of those who want are due most to their own improvidence or most to the unwillingness of the thrifty to keep the wheels moving.

"Thrift may properly be described as one of the dangerous virtues. In one condition of life and under certain circumstances thrift is imperative. In another condition of life and under other circumstances a "thrifty" man not only **Wise** narrows his own possibilities but closes the door of **Economy.** opportunity to everybody else. On one side of the line the main duty is to save. On the other side of the line the main duty is to use the resources of life freely. Just where the line is drawn it may be hard to say. But the line is there and it is important for the individual and for the community to recognize it.

"Everybody has in mind those of his acquaintances who should spend more as well as those who should spend less. Everybody knows communities dying of dry rot as well as communities being over boomed. Everybody can point to farm homes that should have bathrooms and laundries and furnaces, as well as to costly automobiles driven by families with limited incomes.

"There would seem to be two plain duties resting upon individuals and communities, one to conserve all the **Conserve** energies and resources with the utmost prodigality **Resources** in the promotion of better living and the opening **and Pro-** mote **Better** of wider horizons. Saving by itself is not enough, **Living.**

nor economy, nor thrift. There must be the large and generous purpose, the noble ambition, the risk of all in the promotion of great undertakings. The man who merely saves and the community that merely saves is running just as serious risks as the man who wastes and the community that wastes."

Register, Des Moines, Iowa.

"When Benjamin Franklin preached his hard, sound doctrine of thrift and saving to a people well prepared to profit by his words he had in mind more than the accumulation of money, more than the building up of comfort and prosperity. He knew better than most men that the driving power of thrift is wholesome pride, that the shrinking of the sensitive soul from pauperism in any shape is the only influence strong enough to support hardship and self-denial. And he also knew that this independence of character is the backbone of national sanity and self-respect.

"Prudence is an unlovely quality. The saints of the Eastern and of the Western world have been alike disposed to condemn it. But pagan Rome ranked it with justice; and Christian theology, borrowing from Rome, gave it place with the cardinal virtues. If it asks much it gives more. The careful husbandry of early Puritan and Quaker laid the foundations of wealth, and made possible education and self-development. A race of men and women, reared in robust simplicity, looked the world in the face, feared no frugalities, and whined for no favors. They did not like to economize any more than we like it now. They wanted what they could not afford just as much as we want it now. But they were a prouder people than we are now. Genteel mendicancy was as distasteful to their spirits as holding out a hat on the street corner.

"We have grown kinder since those stern days. "Service" is now our watchword. In our anxiety to smooth our neighbor's

path we have pressed the state, the city, the church, "Service," the club, the college into work. We have made the world a better and a softer place to live in; but the pride that promoted thrift and fostered independence is waning visibly. An immigrant family for whose sore needs a charitable association had appropriated six dollars spent half that money in having their pictures taken. They said truthfully and touchingly that as long as they lived they might never again have a chance to be photographed and that "if anything happened to them" the pictures would be a consolation. They were simple, kindly people, but they belonged to a recognized type. They would go on asking and receiving alms while they lived.

"Three years ago a famous prima donna gave a concert in a small town in the Middle West. The tickets were two dollars and a half; and a certain minister and his wife—music lovers living frugally on a small salary—determined to give themselves the rare delight of going. It was a great deal of money to spend on a night's entertainment, but such temptation seldom came their way. When the point was happily settled they heard that a friend and parishioner had been thrown out of work. He was in great distress, and there were little children to consider. The minister's wife had a hard half-hour of renunciation. Then she sent the five dollars with a pretty note to her neighbor and tried not very successfully to forget the pleasure she had foregone. Two days later she received a rapturous note of thanks. The grateful parishioners wrote that the money had come like dew from heaven. They had so longed to hear the concert, and they had given up all hope, when that blessed letter arrived. Five dollars was just enough to buy the tickets, and they would never, never, never forget the enjoyment that so kind a friend had given them."

Illustration.

1. Behave towards your purse as you would to your best friend.
2. View the reckless money spender as a criminal, and shun his company.
3. Dress neatly, not lavishly. A bank pays a higher rate of interest than your back.

**Harry
Lauder's
Ten Thrift
Rules.**

4. Take your amusements judiciously. You would enjoy them better.

5. Don't throw away your crusts; eat them. They are as strengthening as beef.

6. It is more exhilarating to feel money in your pocket than beer in your stomach.

7. Remember it only takes twenty shillings to make a pound, and twelve pennies to make a shilling.

8. You can sleep better after a hard day's work than after a day's idleness.

9. Always get good value from tradesmen. They watch they get good money from you.

10. There is as much pleasure in reading a good bankbook as a novel.

An Encouragement to Save from the "Official Bulletin," Oct. 9, 1917. "In encouraging the people of America to save, it is believed that the Liberty Loan Bonds are going to perform an important function in our national life. The small denomination of some of the bonds renders it possible for the ordinary wage earner to purchase one with the savings of a few months, and the banks of the country have undertaken to provide for the purchase of these bonds in small weekly or monthly payments.

A Patriotic Duty and a Good Habit. "By devoting, each week or each month, to the purchase of Liberty Loan Bonds such little sums of ready money as are often frittered away for useless things one not only can acquire property that ranks among the very best securities in the history of the world, but can at the same time feel that a patriotic duty has been performed and a habit of saving acquired.

Saving for Future Contingencies. "The ultimate result of this war will be victory for America, but what the effects of the war will be upon America and American people is unknown. When such a future confronts us prudence demands that we provide for contingencies. No one knows how great a help savings invested in a Liberty Loan Bond may be a few

years hence. And one's savings not only will be secure but will be constantly bringing in interest.

"There are other possibilities—they might better be called probabilities—and one is that the Liberty Loan Bonds, when peace comes and money now in active industrial use will be seeking quiet investment, may bring a premium."

Liberty Bonds will Sell at a Premium.

"I suppose not many fortunate by-products can come out of a war, but if the United States can learn something about saving out of this war it will be worth the cost of the war; I mean the literal cost of it in money and resources. I suppose we have several times over wasted what we are now about to spend. We have not known that there was any limit to our resources; we are now finding out that there may be if we are not careful."—From President Wilson's speech to the War-Savings Committee.

Secretary of the Treasury McAdoo authorizes the following statement:

"This war can not be financed unless the American people immediately stop waste, practice self-denial, economize in every possible direction, and lend the money they save thereby to the Government. The campaign which opened yesterday for the sale of war-savings stamps in denominations of 25 cents and \$5 is of the utmost importance. No such opportunity as this has ever been offered to the American people for investing their savings with absolute safety and at such attractive rates of interest. The Government will accept your money and pay interest at the rate of 4 per cent per annum, compounded quarterly."

Stop Waste and Practice Self-Denial, Urges McAdoo.

"Let every man, woman, and child reflect, as they are about to spend even 25 cents wastefully or needlessly, how much that 25 cents will do for some splendid son of America who is fighting on the battle fields of Europe; how much even 25 cents multiplied by 100,000,000 loyal and patriotic American citizens will help their Government to bring to a quick end this horrible carnage in Europe; how many lives of America's noble sons will be saved the sooner the war is ended. Every dollar saved will hasten this result."

Save even the Quarters.

"The widespread practice of economy is absolutely vital to

Widespread Economy Vital. the success of the war. My hope is that the war-savings stamp campaign now begun will impress that lesson upon the American people. Everyone, however small his means, can help in this way.

"I appeal to the heart and patriotism of the American people to help their Government and help themselves by a whole-hearted support of this war-savings plan."

The point is emphasized that thrift involves more than mere saving. When one has saved money by wise economy he must know how to take care of it. He must invest it safely and so that it will produce more money for him. Our government needs our money immediately for the successful prosecution of the war. It could be exacted from us in the form of taxes but we are offered the opportunity of lending it to our government and in return we shall receive a fair rate of interest. Our government is encouraging us to be thrifty by making it possible for us to invest even our small savings in war savings stamps and government bonds. There is no doubt in our minds as to the advisability of purchasing war savings stamps from a sense of patriotic duty. This is the highest and a sufficient motive. Would a thrifty man desire to make such investments if he were not influenced by patriotic impulses?

INVESTMENTS.

The word thrift in the minds of some people has come into disrepute because at one time thrift meant simply hoarding and was associated with parsimony. To-day thrift means more than mere saving. Wise investment of savings is an essential element of thrift. A thrifty young man or woman seeks to invest his savings because it is safer than to keep them at home and also in order that they may produce some income. On account of their inexperience young investors are strongly tempted to make undesirable investments because they profess to yield large returns. Such opportunities are always available but many perfectly safe investments are also open in every community to small investors. The advice of bankers, reputable brokers, and business men of high standing and broad experience in investments should be sought by young investors until they have had sufficient experience to avoid serious mistakes in exercising their own judgment as to the value of the investment. The importance of this suggestion and the protection afforded investors in this state are at once indicated by the following warning issued to the public by Frank C. Williams, State Bank Commissioner:

**Investment
is an Essential
Element
of Thrift.**

"There is a heavy penalty for selling or negotiating for sale in Vermont,—without a license from the bank commissioner,—of any lands situated outside the state, any stocks; **Bank Commissioners** bonds or other securities of any kind or character except the following: Bonds of the United States; **Warning to the Public.** State of Vermont; municipalities of the state; notes secured by mortgages of real estate in this State; obligations given by individuals who are citizens or legal residents of this State; bonds, stocks or notes of corporations which have been approved by the Public Service Commission, or other Governmental authority of any State or of the United States. Before the investment law was passed, hundreds of thousands of dollars of poor and worthless securities were annually sold in Vermont. Probably the sale of such securities has not been entirely prevented by the law, but I am convinced it has been very greatly reduced, and may be entirely stopped by cooperation of the people of the State with the Bank Commissioner. Do not buy any of the securities which require a license for their sale, of any one who is

not able to produce a certificate from the Bank Commissioner showing that he has a license to sell them. Inform the Bank Commissioner of any cases coming to your attention of attempts to sell such securities by unlicensed people. If not familiar with the character of securities offered, which you contemplate buying, advise with some banker in whom you have confidence. The Bank Commissioner does not recommend the securities offered by people to whom he grants a license, but he does investigate all companies licensed and supervises their business to a certain extent, and is always ready to give the people of the State all the facts of which he has knowledge relating to the securities offered by such companies; their standing and business history. Some good business men who have had no experience with investments outside a narrow line make poor advisers. Study investments yourself. Do not take the chance of losing your hard earned money by investing in some scheme which looks good on paper or promises large dividends. Deal only with responsible people who are authorized to do business in Vermont."

The importance of warning the public concerning certain present bad practices in investment is emphasized by the wide publicity which is being given by the Investment Bankers' Association of America to the following schemes of fraudulent advertisers:

"The reason that so many millions of dollars annually are sunk in worthless securities is that the sellers of such so-called investments make alluring promises of great profits to be derived from a few dollars. If deliberate misrepresentations and recklessly loose statements are eliminated from advertising and circular matter, get-rich-quick operators will not be able to make their fraudulent schemes pay.

"In investments one does not get something for nothing any more readily than in any other branch of merchandising.

Present It is entirely misleading, therefore, to use statements
Bad which will lead investors to believe this to be possi-
Practices. ble, such as the following taken from one piece of
 copy advertising a promotion that failed utterly: 'The best
 investment ever offered to the American public.' 'Immense
 profits on small investments.' '1,000,000 a month profits.'
 'You take no chance.' 'Golden Harvest.'

"Some of the other more dangerous bad practices which invariably mislead are the following: Trading on reputation or earning power of another company, such as implying that a new automobile company will be as successful as the Ford Motor

Company, or using a name which sounds similar to a well known trade name to imply that the well known person or corporation is interested in the new company. Offering securities where the corporation has not a well defined financial plan calculated to carry the company through poor times, as well as good times. Giving undue importance to the name of the banks acting as trustee or registrar, and implying thereby that these banks in any way are responsible for the securities. The fee for such services paid to banks or trust companies is very small, and the services do not insure safety of securities. Offering to let people in on the ground floor. Stating that securities are as safe as Government bonds. The use, by a dealer concern, of a name which implies that it is a bank or trust company when it is not such. Using the word guarantee as applying to the security when no guaranty exists. Playing up subheads in copy on one subject matter in such a way as to make it appear that the subhead emphasizes the security, such as a guaranty on a part of an automobile by a manufacturer as implying that the stock for sale is guaranteed by that manufacturer etc. Offering to give "Liberty" bonds away with so many shares of suspicious stock."

The successful investor must know what opportunities for investment are available, he must know how to distinguish between good and bad investments, and he must know how to go about making the investment which seems to him to be the most desirable.

There is hardly a community in this country remote from a savings bank or a bank having a savings department. Such institutions receive on deposit small sums of money **Savings Banks.** which draw interest at a moderate rate. The rate varies somewhat in different banks as it is determined by the local institution. The law governing the payment of interest on savings accounts in Vermont is:

Sec. 5429. A savings bank shall, immediately before making each interest payment to savings depositors, reserve from the net profits accumulated since the preceding interest payment not less than an eighth of one per cent of the average amount of deposits during such period, as a surplus fund, until such fund amounts to ten per cent of the amount **Vermont's Saving Bank Interest Law.** of deposits and other liabilities, except surplus. The accumulation toward such fund shall be set

aside and held intact and, when the fund amounts to such ten per cent, it shall thereafter be maintained and held to meet losses in its business from depreciation in securities or otherwise and, if at any time it falls below such ten per cent, reservations from net profits shall in like manner be renewed until such fund again reaches the ten per cent requirement.

Sec. 5430. A savings bank may pay interest on deposits, not to exceed one and three-fourths per cent semi-annually, until half of the ten per cent fund described in the preceding section shall be accumulated, after which, so long as such accumulation does not fall below half of such ten per cent fund, the rate may be not to exceed two per cent semi-annually, until such ten per cent fund is accumulated. The trustees, so long only as such surplus fund equals or exceeds such ten per cent, **MAY DECLARE, AND PAY SUCH INTEREST ON DEPOSITS AS IN THEIR JUDGMENT THE EARNINGS AND RESOURCES OF THE CORPORATION, ABOVE SUCH SURPLUS FUND, WARRANT.**

Sec. 5431. Savings banks shall triennially, if the net profits above the ten per cent surplus fund amount to one per cent of the deposits which have remained in such savings banks for one year then next preceding, divide the same among the depositors whose deposits have remained therein for at least one year then next preceding, in proportion to the amount of interest on such deposits which has been declared during the three years next preceding.

Savings banks in Vermont may adopt by-laws for their government not inconsistent with law hence there is a slight variation in the rules regulating the payment of interest and the withdrawal of savings deposits. The following regulations taken from a bank book of a local savings bank and trust company are typical of this state:

Deposits made on or before the 5th day of the month draw interest from the first, and those made after the 5th will draw interest from the first day of the following month. (If the deposit is made before the 10th of January or July it draws interest from the first of the month). Interest will be credited to depositors on the first day of January and July of each year, at the rate of 4 per cent per annum, and this interest will draw interest from the date of said credit, if not withdrawn, but no interest will be

**Savings
Bank De-
posits and
Interests.**

allowed or paid on any sum withdrawn for the time which may have elapsed since the date of the last credit of interest. The above rate is paid, free of taxes, on all deposits.

All depositors shall be subject to the regulations and by-laws of this institution.

The trustees may refuse a deposit at their discretion, and may also at any time return all or part of a deposit.

Interest or dividends will be credited to depositors only on the first days of January and July, and this interest, if not withdrawn, draws interest from the date of such credits, compounding twice every year.

Depositors, ordinarily, will be paid on demand, but the bank reserves the right, when it so desires, to require a notice not longer than thirty days for withdrawals.

A depositor must always present his Bank Book when depositing or withdrawing funds. If not presented personally an order properly signed and witnessed must accompany the Bank Book in case of withdrawals. Deposits, however, may be evidenced by certificates containing the terms of payment.

Every effort will be made to protect depositors against fraud, but payment made to a person presenting a Bank Book shall be good and valid on the account of the owner, unless the Bank Book has been lost and notice in writing given to the Treasurer of the bank before such payment is made.

When a Bank Book has been lost the Bank shall prescribe the conditions on which a new book may be issued.

If a book of deposit be assigned or transferred by the depositor, it shall be the duty of the person to whom such book has been transferred to notify the bank thereof at once for its approval. If payment be made on a deposit book after it has been assigned, without notice of the assignment, the corporation or its officers will not be liable to pay the same to such assignee or holder, but will be fully discharged therefrom.

Instead of sending a check to the depositor in payment of interest due him he is simply given credit for the amount of the interest just as if he had deposited an equal amount of money. This interest draws interest the same as his other **Compound savings.** If one has on deposit \$600 on January 1, **Interest is Paid by Savings Banks.** 1916 and the bank pays 4% semi-annually he would receive credit for \$12 interest on July 1, 1916. If he makes no deposits or withdrawals he would be entitled to interest on \$612 from July 1, 1916 to January 1, 1917. His deposits at the

bank then would be \$624.24. Of this amount \$624 will draw interest for six months more, the cents being disregarded and interest being paid on dollars only. Even if no new deposits except the interest are made the interest each time is computed on a larger principal and hence is more than the preceding interest. When interest is paid on principal and interest in this way it is called compound interest.

Money drawing compound interest grows with astonishing rapidity. In the following illustrations the interest is compounded annually. The results are even more amazing when the interest is compounded semi-annually.

"There are two kinds of compound interest. Two illustrations may best explain them. One dollar deposited in a savings bank that pays four per cent annually will amount to \$2.19 in twenty years. This is simple compound interest. One dollar, deposited every year for twenty years in the same bank at the same rate of interest, will become \$30.97. This is progressive compound interest. To get the full and beneficial results of compound interest not only must you begin to save but you must keep steadily at it. When you see the effects of progressive saving you find out just how valuable it is to get the thrift habit.

"With humble sums impressive ends may be gained. Nearly every human being can save five cents a day. This amount, saved each day (\$1.50 a month) and deposited in a savings bank that pays four per cent interest will amount to \$182.50 in ten years. It will earn \$40.06 interest, making its total value at the end of that time \$225.56—rather a surprising result of the setting aside of a single carfare every day.

"Take ten cents a day, which means a deposit of three dollars every month, and put it through the same process. In ten years you will have saved \$365, which will have earned \$80.36 interest, making a total of \$445.36. This is the result of simply saving the price of an ordinary cigar a day. As you increase the sum saved each day the value of steady saving is only strongly impressed. Fifteen cents a day, or four dollars and a half saved each month and compounded will amount to \$668.18 in ten years. Of this sum \$120.68 is interest earned. Twenty cents a day or six dollars a month will amount to \$890.99 of which \$160.99 is interest. These sums saved would scarcely be missed

**Simple and
Progressive
Compound
Interest.**

**What 5
Cents a Day
will do in
ten Years.**

**Ten Cents
a Day will
Amount to
\$445.36 in
Ten Years.**

from the purse of the average man. If you are able to put aside twenty-five cents a day or seven dollars and a half a month, at the end of ten years you will find \$1,113.75 to your credit. If you are able to make the daily saving thirty cents or nine dollars a month you will be worth \$1,336.59. Forty cents a day or twelve dollars a month will roll up the tidy sum of \$1,782.16, of which \$322.16 is interest; while fifty cents a day or fifteen dollars a month will amount to \$2,227.73, of which \$402.73 is interest. Hence it is much to your profit to "despise not" the saving of small sums.

"Now let us see what the systematic or rather progressive saving of a dollar a week can do. In one year the fifty-two dollars saved will earn, at four percent, seventy-eight cents in interest, making a working principal of \$52.78 at the start of the second year. At the close of the second year **One Dollar** you will have \$107.67; at the end of the fifth year **a Week at** \$285.86; at the close of the tenth year \$633.65. In **4% Annual-** fifteen years this steady savings of a dollar a week **ly will** would show a total result of \$1,056.79. At four **Amount to** per cent this alone would yield a return of \$42.27. **\$2,197.92 in** **25 Years.** At the end of twenty years this kind of saving would total. \$1,571.59, while the first quarter-century would find you worth \$2,197.92. This sum, if you then stopped saving, at four per cent would earn \$87.91 a year. If you kept up the saving of a dollar each week for fifty years you would accumulate \$8,057.16.

"Looking at the saving of a dollar a week from a different angle, you find that at the end of thirty years every one of the fifty-two dollars that you had at the end of the first year had increased about fifty-eight times.

"It has been figured out that a man who has deposited five dollars a week, every week, in a savings bank that pays four per cent can, at the end of twenty years, draw out six dollars a week and still leave his wife at his death all the money that *he* had originally deposited.

"If a man or woman is able to save a dollar a day the results are big. This amount, put into a savings bank that pays four per cent annually will amount to \$1,967.98 in principal and interest at the end of five years, and \$4,455.74 at the end of ten years.

"Fifty dollars put into a savings bank each year will amount to the following sums at the end of twenty years; **\$50 Saved** at three per cent annually it will aggregate \$1,383.38; **Each Year** at three and a half per cent it will roll up \$1,463.42; **at 3% will** at four per cent it will amount to \$1,548.46; at four **Amount to** and a half per cent annually the total will be **\$1,383.38 in** **20 Years.**

\$1,639.15, while at five per cent annually it will mean a total of \$1,735.96.

"This figuring out of compound interest returns might be continued indefinitely. Sufficient results have been given, however, to show two very important things that the average man or woman who wants to attain a competency must bear in mind, and they are: first, that money will earn more money; second, that the only way to share the result of this kind of labor is to begin to save and then keep constantly at it.

"It might be helpful, in this connection, to see some practical applications of the benefits of compound interest and saving. One of them is what might be called an automatic pension. It has been calculated that if a man whose income remains the same year after year will deposit one-third of that income each month in a savings bank that pays four per cent, he will be able to retire at the end of thirty-five years, and thereafter he or his heirs will receive the full amount of his income. If he will steadily deposit a quarter of his income in the same way he will be able to retire on full pay at the end of forty-one years. A fifth of his income, saved and deposited in this way, will enable him to stop work on full income saved at the end of forty-six years, while a deposit of one-tenth of his income will retire him at the end of sixty years.

"To be able to retire on half income as a result of this kind of steady saving is easier. This can be achieved in twenty-four years by the deposit of one-third of the wages in a savings bank each month; in twenty-eight years by the deposit of one-fourth of the wages; in thirty-two years by the deposit of one-fifth of the income, and forty-five years by the steady saving of one-tenth of the wages.

"What is the depositor to do if he needs a sum of money urgently just before an interest payment? There is a very simple way out of it and in the explanation is a helpful lesson. Let us assume that the depositor has put \$1,000 on deposit in a savings bank that pays four per cent interest, with payments January 1, and July 1. His first interest date is July 1, and this means that he will get \$20 in interest if his thousand dollars is still on deposit. An emergency arises that makes it imperative for him to have \$800 for twenty days on June 10. If he draws this out of the savings bank he will lose the interest on it for the six months. What is he to do? He can take his savings bank book to a commercial bank, use it as collateral, and borrow the \$800.

**Savings
Bank Book
may be used
as Collateral
Security.**

Assume that he is charged six per cent interest on this money. This means that it will cost him about \$2.60.

Now, if he had drawn the \$800 out of a savings bank he would have forfeited \$16 in interest. This means that by following the plan just outlined he paid only about \$2.60 for the use of the money. Thus he not only practiced economy but maintained the integrity of his savings account. Therefore, it is important for the savings depositor to know just when the interest payments in his bank are made, and not to withdraw money at times when the interest might be forfeited. This, combined with steady savings, is the only way to obtain the big benefits of compound interest."

From Saturday Evening Post.

Many people prefer the government's guarantee to repay their savings to that of banks. They deposit their savings in postal savings banks and receive interest from the government at the rate of 2% a year. When the deposit is \$20 or more it may be exchanged in multiples of \$20 for 2½% government bonds. According to the government regulation an individual shall not have interest bearing deposits in excess of \$1000. He may deposit larger amounts if he wants no interest upon them. No one may deposit less than \$1.00 but for ten cents he may purchase a card upon which he may accumulate ten cent stamps until the whole amounts to one dollar. The card then may be exchanged for a savings certificate. Deposits may be made at any of the larger post offices.

**Postal
Savings
Banks.**

One of the most widely used means for the investment of money in small amounts is furnished by the life insurance companies. The life insurance company in return for the payment by the insured person of a fixed annual sum called the premium, agrees to pay to the insured at the expiration of a certain number of years a definite sum of money. If the person insured dies before the time for the payment by the company is reached, the insurance company pays the agreed sum to another person called the beneficiary, named by the insured in the policy, or agreement by which the insurance is purchased. This form of life insurance is called endowment insurance and commonly is written for twenty year periods although it may be written for other periods.

**Life
Insurance.**

**Endowment
Policy.**

The endowment policy is not however the only form of life insurance which the companies issue. A person may buy a policy according to the terms of which he pays a fixed sum each year throughout his life, and at his death the amount named in the face of the policy is paid to the beneficiary. This form of policy is called the ordinary life or whole life policy. When the whole life policy is paid for by a fixed number of annual payments it is called a limited payment policy. Still another form of insurance is that under the weekly insurance policy by which payments of a fixed sum, as ten or twenty-five cents, are made weekly to a collector of the insurance company. This form of policy is generally written for amounts under five hundred dollars and is payable to the beneficiary at the death of the insured. Its prime object is to provide a sum sufficient to pay funeral expenses.

The premiums for all forms of life insurance policies are determined by the companies by means of exact mathematical calculations. These calculations are based on tables which show the number of people who die at various ages. These mortality tables are made up from records of the dates of birth and death of large numbers of persons and owe their accuracy to the law of averages. While it is impossible for an insurance company to tell at what time a particular individual will die, it can tell at approximately what time ten thousand persons will die.

The premiums charged by life insurance companies and printed in their rate books vary slightly as do the privileges contained in their policies, but the differences are not important. Below are examples of insurance premiums as computed according to the mathematical tables above referred to.

**Twenty Year Endowment Policy for \$1,000.
Payable at Death or at the End of 20 Years.**

<i>Age</i>	<i>Rate</i>	<i>Age</i>	<i>Rate</i>
20	43.55	24	43.77
21	43.60	25	43.83
22	43.66	26	43.90
23	43.71	27	43.98

The purchaser of an insurance policy may have two objects in view. He may desire to provide a means by which his family or dependents are insured means of livelihood if he should die or he may wish a convenient method of investing his surplus earnings. To aid the person thus desiring **Insurance as Protection.** to secure protection for his family the policies of insurance frequently provide that the face of the policy will be paid to the beneficiary in monthly payments beginning at the death of the insured. This provision may be in either an endowment or whole life policy and is called the monthly income feature. It has the advantage of relieving the beneficiary, who may not be familiar with business matters, from the task of investing a large sum of money as would be the case if the payment was all made by the company in one sum.

The endowment policy is particularly adapted to the person who desires a convenient method of investment and at the same time wishes to provide protection for his family. It practically compels a person to save a definite **Endowment Insurance as an Investment.** sum each year as the premium comes to be considered as something which must be paid. His savings made by the purchase of an endowment policy and the payment of premiums thereon are invested by men whose business it is to know all about investments. Moreover the business and investments of the company are carefully supervised and inspected by public officials. By the purchase of an endowment policy a young man or woman may, by regular annual payments, provide a substantial sum which will be available at the end of the endowment period either for investment in business or the purchase of a home or for any other purpose. In considering the value of an endowment policy it must not be forgotten that in addition to the lump sum which will be paid to the insured at the end of the period, the policy holder is also insured of the fact that the face value of the policy will be paid to his beneficiary should he die before the expiration of the endowment period.

One of the most common forms of investment is buying land and houses, i. e. real estate. This form of investment is desirable because of its comparative safety, the possibility of

using the property as a home and the tendency of wisely selected property to increase in value. When one invests in real estate he must take into account the expense of maintaining the property—repairs, taxes, insurance, as well as its liability to depreciate in value. Real estate is often difficult to sell readily at its full value. When money is loaned with real estate as security the prudent lender limits the loan to about 60% of the value of the property. He receives a promissory note secured by a written document signed by the owner. This document is called a mortgage and it guarantees the payment of the note. If the conditions of the agreement are not met the creditor through a process of law may secure payment of the note with interest including the cost of suits and clerk's fees. If the mortgagor does not pay the sums ordered by the court the mortgaged property may be turned over to the mortgagee to satisfy the debts. The owner also guarantees to keep the buildings insured and in repair, to pay taxes when due, etc.

Frequently two or three men desire to invest money in a small business enterprise. In such cases they usually form a partnership and share their gains and losses according to the amounts they invest. If one man invests \$1000 and another invests \$2000 the first owns 1-3 of the property hence he shares 1-3 of the profits or 1-3 of the losses while the second man shares 2-3 of the gains or losses. In case of failure each partner becomes responsible for the entire debt of the firm after the firm's assets have been exhausted no matter how small his interest may be. In a partnership the evidence of ownership is contained in the partnership agreement. The men who actually conduct the business and share in the profits are called real partners. Sometimes members of the firm are not publicly known and take no part in the management of the business. Such members are known as silent or dormant partners.

The money, merchandise, buildings, land, equipment, etc., invested in a commercial enterprise is called the capital. If a large capital is required or many partners are interested in the business a partnership is not desirable. In such a case a stock company is organized and incorporated

according to the laws of the state. It will be seen later that the advantages of a corporation are:

1. Each stockholder is financially responsible for the par value of his stock and no more.

2. Stock is easily transferred and bookkeeping incident to computation of dividends and transfers is simplified.

3. Small investors are enabled to participate in great business enterprises.

4. It makes possible a great expansion in capital and organization.

5. An opportunity is afforded for one to acquire an interest in a business where he would not be qualified to assume direct control.

6. The firm name may be perpetuated and the benefits derived which come from its established reputation.

7. One of the main reasons why a corporation is more desirable than a partnership is that in a partnership the death of any partner dissolves the firm.

8. It affords an easy method for borrowing money for the extension of the business.

The following procedure is necessary in the organization of a stock company: (1) Three or more men in a community come together and decide to organize a corporation for carrying on a business such as a creamery. (2) These men solicit subscriptions for the stock, i. e. they seek to interest other men in investing money in the business. These investors are called stockholders. They agree to buy a certain number of shares of the stock. (3) It is decided that a certain amount of money is needed to be used in erecting and equipping a plant and for operating the plant. This is called the capital stock. Three or more persons agree to buy and actually pay for 50% or more of the proposed capital stock. When the stock is paid for, the purchaser receives a stock certificate showing the amount of the capital stock, the par value of each share and the number of shares owned. (4) All the subscribers are then called together for the purpose of forming a permanent organization. At this meeting articles of association

**Advantages
of a Corpor-
ation.**

**How a Stock
Company is
Organized.**

are drawn up, blanks being furnished by the Secretary of State. These articles of association give the name of the company, its purpose, the location of the principal office of the company, the amount of the capital stock, the number of shares and the names and addresses of the subscribers. If a cooperative company is formed in Vermont special articles of association are required.

(5) When a copy of the articles of association and a certificate of paid up capital are filed with the Secretary of State he issues a charter to the corporation showing that it is legally organized and ready for business. (6) The corporation is managed by not less than three directors who are elected for one year by the stockholders. The directors elect officers from their number and the organization is complete.

The directors elect a manager and provide the necessary equipment. If all of the stock has not been sold it may be disposed of at the value originally agreed upon usually \$100 a share. This is the value of each share as recorded on the books of the company and is known as the *par value*.

After the enterprise has been in operation for a year there may be profits in excess of the cost of operation. These profits are to be divided among the stockholders or to be carried to the surplus account. Let us assume that the capital stock is \$10,000 and the profits are \$1000. There has been a gain of 10% and each stockholder will receive as his share of the profit 10% of the par value of the stock that he owns. Suppose a man owns 5 shares at a par value of \$100 a share or a total value of \$500, he would receive as his share of the profit 10% of \$500 or \$50. Cooperative corporations in Vermont must "set aside annually not less than 10% of the net profits of the corporation for a reserve fund until there is accumulated a fund of not less than 30% of the paid up capital stock."

When the creamery has been in operation several years and the reserve fund is fully paid up the business may have developed until there will be a net profit of \$2500 or 25% of the capital stock.

**Market
Value of
Stock
Varies.**

**Par Value
is usually
\$100 a Share**

**Profits are
Computed
on the Par
Value.**

The actual value of each share is the original value of the share (\$100) plus the reserve fund (\$30). In addition to this the fact that a dividend of 25% is declared increases the value of the share. Investors are glad to receive 8% or 10% on their money. They would be more than willing to pay \$250 for a share of stock which pays an annual dividend of \$25 (25% on the par value of \$100). This price which the share would bring if offered for sale on the market is called the market value of the share. The market value varies as the prosperity of the business varies but the par value does not change and upon it the percent of profit is always computed. It is seen that while a dividend of 25% is declared on the par value of the stock a man who pays \$250 for a share of stock is receiving only 10% on his investment.

In this discussion of dividends we have assumed that there is no stock upon which a certain rate of interest is guaranteed. In some instances a part of the stock is sold with the guarantee that a definite rate of interest will be paid. When the corporation has been in existence for some time and there is a desire to increase the size of the plant or to make improvements in it, additional stock is frequently offered for sale which does not share in the profits but upon which the corporation agrees to pay a certain rate of interest. Such stock is called preferred stock and interest upon it must be paid before there is any division of profits. It is frequently the case that a larger rate of interest is paid on common stock. Suppose our creamery company decides to buy additional ground and increase the size of the plant at an expenditure of \$1200. They may issue 10 shares of preferred stock with a par value of \$100 a share but which they can sell for \$120 a share because they agree to pay 6% interest. Let us assume that our creamery makes a profit this year of \$1560. They must first pay the 6% interest on the \$1000 of preferred stock or \$60. This leaves \$1500 to be distributed among the common stockholders the par value of whose stock is \$10,000. Since \$1500 is 15% of \$10,000 a dividend of 15% is declared on the common stock. A man who owns one share of preferred stock receives \$6 interest because he receives 6% of \$100, the par value of the

**A Definite
Rate of In-
terest is
Guaranteed
on Preferred
Stock.**

share. He actually paid \$120 for the share and since he receives \$6 on an investment of \$120 he receives only 5% on the money invested.

If a stockholder desires to dispose of a part or all of his stock

Transfer of Stock in Local Companies is Simple. in a small, purely local company like the one we have described he is usually able to find a buyer. In this case he indicates in the space provided on the stock certificate that the stock has been transferred. The certificate may be taken up by the secretary of the company and a new one issued in its place to the new owner.

The transfer of stock in a large corporation like a railroad is a much less simple matter. Sales of stock in such corporations

The Stock Exchange is an Association of Brokers for the Purpose of Facilitating the Transfer of "Listed Stock." are naturally made in the larger cities, in many of which there are associations of business men for the purpose of facilitating the transfer of shares of stocks and bonds. One of the most notable of these associations is the New York Stock Exchange in Wall Street. It is an association of men called brokers who buy and sell stocks and bonds. The building in which they meet for the purpose of making these transactions is also known as the Stock Exchange. In order that these exchanges might become stable they found it advisable to list for sale stock which had proved value. Before a company's stock can be listed the officials of the exchange must be satisfied that it has a paid-up capital, that it is in good financial condition, and that it is a legitimate enterprise. In many instances very undesirable stock is "listed stock" but this is due to a decline in its value after it was first admitted to the exchange.

Only members of the stock exchange are permitted to buy and sell stock on its floor. The membership is limited to the number who can easily care for its business hence the price of a membership or a seat in the exchange is very high. The lowest price in many years in the New York Stock Exchange was \$20,000 and the highest, in 1905 and 1906, was \$96,000. These seats can not be purchased outright. The man must be elected to membership by the members.

The Price of a Membership in the Stock Exchange is High.

The daily Stock Exchange value of stocks and bonds may be found by consulting the daily papers. There are so many conditions aside from the real value of the securities which enter into the determination of the stock quotations in daily papers that they give little actual information concerning the value of the stocks and bonds as conservative investments. **Judging an Investment.** If one wishes to determine the real value of securities the Investment Bankers Association of America recommends that he secure the following information:

"What constitutes the property? Is it actually built? Where is it located? What is real appraisal value of property by competent, intelligent appraiser, audited by certified public accountants? What is value of property for the purpose of operation? Is property in operation? If so, how long has it proved successful? What is output? Does company own or lease property?

"What are actual earnings as audited by certified public accountant? What are detailed earnings over a period of years? Are earnings estimated instead of actual? If estimated, by whom? Estimated should not be vague, but should be definite and calculated on some basis, else they are valueless. They should not be made essentially on the basis of earnings of other very prosperous companies in the same line of business, for different managements will not operate with equal success? **Earnings.**

"Is the goodwill all in prospect, or has it been valued on definite earning power? Goodwill should not be valued primarily on the earnings or goodwill of other successful companies in the same line of business. **Goodwill.**

"What dividend or interest is paid on securities offered? If income is being paid or promised, who has audited the books of the company? The payment of the dividend implies that it has been earned. Grave harm can be done by representing securities as dividend payers when payments are made from capital. **Income.**

"Securities of dangerously financed companies are generally offered in small par value so as to appeal to people of small means. This is especially true in the sale of stock. If the par value of the securities offered is \$10 or less, an investigation is desirable; if it is below \$1, this investigation is imperative. It is bad practice to offer securities for sale with a statement that the price will be advanced on a **Price of Securities.**

certain day. This statement implies that the value has increased to the extent of the increase in price; as a matter of fact, the increase in price may not mean this, and usually it is only a plausible selling scheme. One good test of this is to ascertain at what price the advertiser will buy back the same stock he is offering.

"Any statements mentioning figures should be susceptible of proof through an income account and balance sheet, audited by a certified public accountant. These two accounts should be given as of one date, because it is possible to cover up inaccuracies if the balance sheet is given on a date different from that of the income account. Any company offering securities for sale which will not, if requested, submit an income account and balance sheet subjects itself to the suspicion of fraudulent practice. The financial statement of a company should be as of the date on which the securities will be outstanding, and the balance sheet **Financial Statements.** should, therefore, show the securities as liabilities. From these statements can be calculated the tangible net assets per share of stock of the value of property securing bonds. If these figures fall materially below the selling price of the securities, the risk is considerable, and requires a detailed explanation. Great care should be taken that the promoter does not glibly promise future growth to explain away any discrepancy, or represent that goodwill is of sufficient value to take care of it. Where a company is showing real earnings with very little property, it is, of course, legitimate to capitalize these earnings to a reasonable extent."

The ordinary investor has little occasion to use the stock exchange. Most investments made through the exchange are speculative in their nature. When stock is purchased through a broker he will charge a fee of (usually) 12½ cents or \$1-8 a share. This fee is called brokerage. If a share is quoted at 89 it means that the market value is \$89 a share but if you should purchase it through a broker it would cost you \$89 1-8 a share. If you sell your stock through a broker he will deduct his fee or commission or brokerage from the amount he receives so if you sell stock at 89 you will receive all of this amount except \$1-8 which the broker retains or you will receive \$88 7-8 a share. The amount a broker may charge for buying or selling for others is regulated by the rules of the exchange hence is uniform. In reading of the stock exchange one frequently

Brokerage is the fee charged by a Broker for buying and selling Stocks and Bonds.

reads of the operations of the "bulls" and "bears". The "bulls" are men who buy stock because they expect to sell in the future at a higher price and are so called because of the tendency of a bull to elevate everything with which he comes in "Bulls and contact. The "bears" sell because they expect **Bears.**" prices to decline in the future.

There is much stock bought and sold which is not listed in the Stock Exchange. Such buying usually takes "Curb" place on the sidewalk near the Stock Exchange and Trading. is known as "curb" trading.

The newspaper quotations are inserted in order that pupils may learn how to read them. They may be used as the basis for problem material.

NEW YORK STOCK MARKET.

Saturday, December 22

The following is a summary of today's transactions on the New York Stock Exchange to 12M:

STOCKS.

	Opening	High	Low	Closing Bid	
				Dec. 22	Dec. 21
Alaska Gold.....	1 $\frac{1}{2}$	1 $\frac{5}{8}$	1 $\frac{1}{8}$	1 $\frac{1}{2}$	1 $\frac{1}{2}$
Alaska Jun. Gold.....	17 $\frac{1}{8}$	17 $\frac{1}{8}$	17 $\frac{1}{8}$	17 $\frac{1}{8}$	17 $\frac{1}{8}$
Am. Can.....	34 $\frac{3}{4}$	34 $\frac{7}{8}$	34	34	34 $\frac{1}{4}$
Am. Can. pf.....	87	87 $\frac{1}{4}$	87	87 $\frac{1}{2}$	86
Am. Car. & F'dry.....	63	63 $\frac{1}{4}$	62 $\frac{1}{8}$	62	62 $\frac{1}{4}$
Am. Locomo've.....	49 $\frac{1}{2}$	49 $\frac{3}{4}$	49	49	49
Am. Sm. S. pf(A).....	90 $\frac{1}{2}$	90 $\frac{1}{2}$	90 $\frac{1}{2}$	90	90
Am. Sug. Ref. pf.....	106	106	106	106	105 $\frac{1}{2}$
Am. Tel. & Tel.....	99 $\frac{1}{4}$	99 $\frac{1}{4}$	99	99	98 $\frac{3}{4}$
Balt. & Ohio.....	41	41	40 $\frac{1}{2}$	40 $\frac{1}{2}$	40 $\frac{1}{2}$
Balt. & Ohio pf.....	50 $\frac{7}{8}$	50 $\frac{7}{8}$	50 $\frac{1}{2}$	50	50 $\frac{1}{4}$
Bethlehem St'l.....	69 $\frac{3}{4}$	69 $\frac{3}{4}$	68 $\frac{3}{4}$	68 $\frac{1}{2}$	69
Beth. St'l pf. ret.....	94 $\frac{3}{4}$	94 $\frac{3}{4}$	94 $\frac{1}{4}$	94	94
Beth. Steel(B).....	69 $\frac{3}{4}$	69 $\frac{7}{8}$	68 $\frac{3}{4}$	69	69 $\frac{1}{4}$
Canadian Pac.....	129 $\frac{1}{2}$	129 $\frac{1}{2}$	129 $\frac{1}{2}$	129 $\frac{1}{4}$	129 $\frac{3}{4}$
Chi., R. I. & P. 6%.....	36 $\frac{3}{8}$	36 $\frac{1}{2}$	36 $\frac{3}{8}$	36 $\frac{1}{4}$	36 $\frac{1}{4}$
Ch. R. I. & P. 7%.....	45	45	45	44 $\frac{1}{2}$	44 $\frac{1}{2}$
Erie.....	137 $\frac{1}{8}$	137 $\frac{1}{8}$	133 $\frac{1}{4}$	133 $\frac{1}{4}$	133 $\frac{1}{8}$
Erie 1st pf.....	19 $\frac{1}{2}$	19 $\frac{1}{2}$	19 $\frac{1}{2}$	19 $\frac{3}{8}$	19 $\frac{1}{2}$

	Opening	High	Closing Bid		
			Low	Dec.22	Dec.21
Gen. Electric.....	123	123	122½	122½	122
Interboro Con.....	6	6	6	6	6
Interboro C. pf.....	41	41	41	41	41
Intern'l Paper.....	23½	23½	23½	23	23½
Int. Paper pf. sta.....	54	54	54	54	53½
Lehigh Valley.....	52	52	52	52	52
Liggett & My.....	161	161	161	161	155
Maxwell Motor.....	21½	21½	21½	21½	21½
Miami Copper.....	25½	26	25½	25½	25½
Nat. Biscuit.....	90	90	90	89	89
N. Y. Air Brake.....	114	114	110½	110	113
N. Y. Central.....	63½	63½	63½	63½	63½
N. Y., N. H. & H.....	27½	27½	27½	27½	27½
Ohio Cities Gas.....	33½	33½	33½	33½	33½
Pullman.....	109½	109½	109½	...	108½
R. Iron & Steel.....	74½	74½	74	73½	73½
R. I. & Steel pf.....	90½	90½	90	89½	90½
Sears Roebuck.....	128	128	128	127	127½
Western Union.....	79	79½	79	78½	78½

NEW YORK CURB PRICES

Saturday—Close.

	Bid.	Asked.
Aetna Explosives.....	7½	7½
do. Certificates.....	8	..
Big Ledge.....	1½	1½
Boston & Montana.....	37c	39c
Butte Copper & Zinc.....	6½	6½
Butte Detroit.....	1½	1½
Calumet & Jerome.....	1½	1
Canada Copper.....	1½	1½
Jumbo Extension.....	12c	14c

If a man who owns a farm or other property is in need of money he may borrow 60% of its value, give a promissory note and secure the payment of the note by giving a mortgage on his property. Similarly, if a corporation desires to borrow funds for the promotion of its business it may give notes secured by mortgages or liens on the assets of the company or a part of its assets or it may give promissory notes under the

seal of the company. These notes are usually of \$100 denomination and are called bonds. If secured by mortgage they are called mortgage bonds, otherwise they are called debenture bonds. Just as the man who mortgages his farm must pay interest to the man from whom he borrows the money, the corporation must pay interest to the man from whom it borrows money and to whom it gives a bond as evidence of the loan.

In order to facilitate the collection of interest some bonds have small interest certificates attached. These certificates or small notes specify the time when certain amounts of interest are due and upon or after that date they may be cut off the bond and presented for payment. Usually any bank will cash these certificates, called coupons, for its customers.

Bonds bearing coupons are called coupon bonds. Government bonds are often issued without interest coupons. They are made out and registered in the name of the owner and are payable to him or his assigns. These bonds are called registered bonds and the interest is sent to the registered owner or to his attorney as it becomes due.

Bonds and stocks are bought and sold in the market in exactly the same way.

News Paper Quotations of bonds for December 22, 1917:

Railroad and Other Bonds.

	<i>High</i>	<i>Low</i>
Baltimore & Ohio 5s.....	74	74
Bethlehem Steel 5s. 1936.....	77	76½
Bethlehem Steel funding 5s.....	87	87
Brooklyn Rapid Transit 5s. 1918.....	91	91
Central Pacific 1st 4s.....	78	78
Chesapeake & Ohio conv. 4½s.....	66	66
Chesapeake & Ohio cv. 5s. 1946.....	73	72½
Chicago & West Indiana 4s.....	64	64

It will be observed from the bond quotations given above that certain abbreviations are used. Bethlehem Steel 5s. 1936 are bonds bearing 5% interest issued by the Bethlehem Steel Co.

and due in 1936. Central Pacific 1st 4s are bonds bearing 4% interest, secured by a first mortgage, issued by the Central Pacific Railroad. The high and low prices for the day are quoted. Chesapeake & Ohio cv 5s 1946 \$100 bonds were bought for \$72½ or including the brokerage \$72¾. The highest price of these bonds during the day was \$73, with brokerage \$73¼. If one buys a 4% bond at \$73¼ he receives 5% on his investment. The variation in the market price of bonds is due to causes similar to those which affect the price of stocks.

Corporation bonds have always been popular. They afford an opportunity for the corporation to borrow money without giving outsiders a vote in the management of the business. As an investment they are popular because of the certainty of the income. Of course bonds like stock may be worthless if the company has no assets but if the company has assets its first obligations are to the bondholders who are preferred creditors. The interest on bonds must be paid before dividends can be paid on either preferred or common stock. The bonds pay a small rate of interest as a rule but a company is indeed in a bad state of affairs if it can not pay interest on its bonds.

In addition to the corporation bonds, the kind we have considered thus far, there are bonds issued by states, counties, towns, etc. These bonds are issued for the purpose of financing public improvements and are considered the highest grade of security and the safest possible investment next to government bonds. We are most interested at the present time in government bonds. When our government desires to undertake some large public work like the building of the Panama Canal it borrows money from the people and issues them interest bearing bonds. In the newspaper quotation of government bonds for December 22, 1917 given below, the Panama Canal 2s 1938 are bonds issued by the United States Government for financing the Panama Canal. They bear 2% interest and are due in 1938.

Abbreviations are used in Bond Quotations.

Corporation Bonds are Often Good Investment.

Municipal and Government Bonds make very Desirable Investments.

On December 22, 1917 \$96 (\$4 below par) was bid for a \$100 Panama Canal bond.

Government Bonds.

Saturday, December 22, 1917.

	Dec. 22		Dec. 21	
	Close		Close	
	Bid	Asked	Bid	Asked
Registered 2s 1930.....	96½	97½	96½	97½
coupon.....	96½	....	96½	....
Registered 3s 1908-18.....	99	99¾	99	99¾
coupon.....	99	99¾	99	99¾
Registered 3s 1946.....	80	....	80	....
coupon.....	80	....	80	....
Registered 4s 1925.....	103¾	105	103¾	105
coupon.....	103¾	105	103¾	105
Panama Canal 2s 1936.....	96	....	96	....
Panama Canal 2s 1938.....	96	....	96	....
Panama Canal 3s 1961.....	80	....	80	....

In meeting the enormous cost of our war, Congress may tax us directly or the government may borrow money from us and give us as security government bonds upon which interest is paid. As a rule national government bonds are the safest of investments and for that reason pay a low rate of interest. The safety of a government bond depends upon the stability of the government. At the present time (December, 1917) one would scarcely care to invest in bonds issued by the Bolsheviki government of Russia.

The following clippings from the "Official Bulletin" published by the National Committee of Public Information give first hand information concerning the safety of government Liberty Bonds:

GOVERNMENT BONDS RANK HIGHEST OF ALL SECURITIES.

In connection with the liberty-loan campaign, the publicity department explains that, in a very general way, bonds are divided into five different classes:

1. *Government.*—A Government bond is issued by the National Government. It is secured by the wealth and taxing

power of the country issuing the bond and is issued to provide funds for the maintenance of the Government, to equip the army and navy, build waterways and public works of all sorts, and in times of war to provide for increased needs. **Government Bonds Rank Highest of all Security.**

2. *Municipal*.—A municipal bond is issued by a city, town, or village. These bonds are issued to get money for building schoolhouses, waterworks, sidewalks, fire-department stations, or other public improvements voted by the municipality.

3. *Railroad*.—Railroad bonds are subdivided into too many classes to be gone into briefly. They are issued by a railroad company to build new lines, buy cars and engines, and to keep the roads in good condition.

4. *Public utility*.—Public utility bonds are issued by corporations owning and maintaining public-service utilities—gas, electric light, street railways, and other such service required by the public and not owned by the city in which they are located.

5. *Industrial*.—Industrial bonds are issued, as the name implies, by corporations manufacturing on a large scale various sorts of products. Under this class come the bonds of steel companies and other big industries.

Necessity requires a briefness which does not permit further subdivisions of these five headings. Government bonds as a class rank highest in market value. The bonds of our Government have a higher rank than those of any other country because the credit of the United States is now the highest of all civilized countries.

HOW THE UNITED STATES LIBERTY BONDS MEET ALL THE ESSENTIALS OF A GOOD INVESTMENT.

The publicity bureau of the second Liberty loan, Treasury Department, authorizes the following concerning the bond issue:

1. *Security of principal*.—The wealth of the United States is back of the bonds issued by the Government. Since the present organization of the United States in 1790 no debts have ever

been repudiated. The money borrowed has always been repaid. The United States has the lowest per capita debt of any great nation.

2. *Security of income.*—The return upon the principal invested is the income or interest. The interest on these bonds is a part of the Government's expense. Should the power of our Government fail, not even cash would be of value, so high is our standing:

How the United States Liberty Bonds meet all the Essentials of a Good Investment.

3. *Fair income return.*—Four per cent for such high-grade security is a fair return. But in addition these bonds bear the privilege of convertibility into a higher rate of interest if the Government has to borrow more money at a higher rate.

4. *Marketability.*—The United States bonds are very active in the open market. Those offered for sale find a purchaser more quickly than any other securities. Bond houses and banks handle them as readily as cash. These bonds can be sold at any time and in any bank or trust company throughout this entire country.

5. *Value as collateral.*—They have the greatest value as collateral of any security, because the credit of the United States Government is the highest of any Nation. Banks or individuals will readily loan money on such security.

6. *Tax exemption.*—The Government bonds of the second Liberty loan are exempt as to principal and interest from all taxation by the United States, any State or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) United States graduated additional income taxes, commonly known as surtaxes, and excess profits and war profits taxes. The interest on an amount of bonds and certificates authorized by said act, the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above.

7. *Freedom from care.*—Bonds can be registered in the name of the holder and the interest thereon will be sent them every six months direct from the Government.

8. *Acceptable duration.*—The period of time over which a loan continues is in the case of the Liberty loan bonds of great advantage. If bought by a young person the repayment will probably be made within his or her lifetime; if by an older person, the money will be repaid to his or her heirs.

9. *Acceptable denomination.*—These bonds are issued in denominations of \$50, \$100, \$500, \$1,000, and multiples of \$1,000; therefore they meet the requirements of small and large investors.

10. *Potential appreciation.*—There is every reason to believe that these bonds will increase in value after the war is over, to judge by the fact that in the past war bonds did increase in value at the close of the war. In the event of the war ending within a short time these bonds would increase in value because of certain tax exemptions. Therefore people of wealth will want to invest in them and small holders will probably be able to sell at a profit. In the event of the continuation of the war over a long period a higher rate of interest will have to be paid, and this maintains the value of the bond.

BONDS, COUPON AND REGISTERED.

Technically a bond is a promise to pay. A person buys a bond; that is, he lends his money to an organization and in return he receives an engraved paper receipt called a bond. A part of this bond bears the terms of the loan. It states that \$50, \$100, \$500, \$1000 or more has been borrowed from the buyer of the bond for a stated period of years at a certain rate of interest, this interest to be paid on dates stated in the bond. The interest is usually paid twice a year. Attached to the bond are the coupons. These represent the interest. Beginning with the first date on which interest is due, these bear the date and the amount of money to be paid. If the bond was issued June 15, 1917, for \$100 at 3½ per cent, the first coupon would state that on December 15, 1917, \$1.75 would be paid to the bearer. This coupon could be deposited or cashed at any bank.

If a bond is registered the owner receives a receipt for his money, the bond is held by the organization issuing it, and the interest is paid to the owner by check. Coupon bonds are payable to bearer and should be kept in a safe deposit box because they are almost the same as cash. The registering of a bond relieves the owner of the responsibility of taking care of it, though he must take care of his receipt.

LIBERTY BONDS PREFERRED STOCK.

Likening the United States to a great corporation with more than a hundred million stockholders and with capital stock and resources of more than \$250,000,000,000 and an annual income of \$50,000,000,000, each American citizen is a stockholder in this great corporation. Even those whose only assets are their earning capacity own shares in our public domain and property and are working on a profit-sharing basis, with a vote and a voice in the management of the corporation and with the right to acquire more stock at any time.

A Liberty Loan Bond may be likened to a share of preferred stock in this gigantic corporation. Like preferred stock in other corporations, it may not return, at times, so large a dividend as common stock, but the dividend from it is certain and sure. It is stock that pays 4 per cent dividend, and while in some years crop failures may decrease the farmer's dividend from his land to less than nothing and various causes may lessen or destroy dividends from all other sorts of property, the dividend from the Liberty Loan Bond is certain and sure, subject to no failure.

The owner of a Liberty Loan Bond holds written tangible evidence of being a preferred stockholder in the United States, the greatest, the most glorious, the most honorable, and the most successful corporation in the world. He holds the certificate of being a citizen willing to support his Government and to lend money to his country when it needs and calls for it.

OUR OPPORTUNITY—W. S. S.

In the preceding chapters we have learned how the great war came to America, something of what America's part is to be in keeping alight the fires of liberty for the future generations, and in preserving our Christian civilization victorious over a culture founded on brute force and dedicated to the exaltation of an earthly prince. What is required of us in man strength and what is being done in the actual raising, preparation and training of an army and navy has been referred to; the tremendous task of supplying and equipping not only our own forces but those of our allies has been touched upon; and brief reference has been made to the humane work of relief so nobly performed by the Red Cross and other agencies. The mere money cost of it all, the staggering totals of millions, of billions, has brought home again to us the hugeness of the task that lies ahead and has brought to us strongly the lesson that by thrift alone can these material requirements be met. Reference has been made to the peace time power of thrift and to the ordinary investments open to man for the laying by of their surplus earnings. And now remains the task of applying the lessons of thrift to the work before us. For the government has made it possible for each one of us, each individual man and woman, each boy and girl in the United States to aid effectively in the prosecution of our war upon the German Imperial Government. Congress has provided that there shall be loaned to the government the sum of

**Vanderlip
on War
Savings
Stamps.**

two billion dollars. This money is to be loaned by the people through the purchase by them of war savings stamps. In an interview printed in the Saturday Evening Post, Frank A. Vanderlip, chairman of the War Savings Committee, describes the war savings stamps as follows:

"They are designed to give every man, woman and child in the United States the opportunity to aid the Government in financing the war. The unit is five dollars; but instead of loaning the Government five dollars and getting a semi-annual interest return of ten cents a much better plan has been devised for the small investor: Beginning December 1, 1917, the

Government will offer a war-savings-certificate stamp, which it will sell in December, 1917, and in January, 1918, for \$4.12. This obligation is in effect the Government's note for five dollars, falling due January 1, 1923; and the buyer who, during the coming December or January, purchases for \$4.12 one of these five-dollar war-savings certificates is virtually discounting the Government's note for five dollars—discounting it at four per cent interest, compounded quarterly. In other words, Uncle Sam says to the citizen: 'Lend me \$4.12, Uncle Sam and in return I will give you a stamp which is my ^{and the} promise to pay. I will use your \$4.12 to prosecute ^{Citizen.} the war and meet the expenses of Government, and will pay you four per cent interest, compounded quarterly. Thus, when January 1, 1923 rolls round, I will hand you back the money you helped me out with, plus the interest; so that—speaking approximately, and ignoring, in our liberal American way, the few odd cents—for every four dollars you lend me now, when I need it, I'll give you back five dollars five years hence.'

"'But,' we can imagine the citizen saying to Uncle Sam, 'don't you want me to lend you more than \$4.12?'"

"'Of course I do!' says Uncle Sam. 'I want you to let me have all you can spare throughout the coming year.'

"'Indeed I will!' says the citizen. 'I can let you have \$4.12 in December, 1917; \$4.12 more in January, 1918; \$4.12 more in February, and—'

"'No,' says Uncle Sam; '\$4.12 is all right for December and January, but on the first of every month after January I shall have to raise the price of the stamps one cent. They will cost you \$4.13 each during February, \$4.14 during March, \$4.15 during April, and so on.'

"'There's only one question that troubles me,' says the citizen; 'I don't quite like the idea of tying up my savings for five years. Suppose I need some of this money between now and January 1, 1923?'"

"'That's all looked after,' says Uncle Sam. 'In the event of your having to use the money which you will have loaned me you can go to any post office and get back the amount you have paid, plus one cent a month, for each stamp you have bought. I'll only ask you to give the post office ten days' notice so that funds may always be on hand to meet any demands made. Aside from this, you are free, if it becomes necessary, to draw your money from any one of my ten thousand money-order post offices.'"

If a person has not at hand the money to buy a savings stamp he may purchase thrift stamps. These stamps cost **Thrift** twenty-five cents each. With the purchase of **Stamps.** the first thrift stamp he receives a thrift card on which are sixteen spaces for affixing the twenty-five cent thrift stamps. When by the purchase of additional thrift stamps he has his card filled out at a total cost of four dollars he may take it to a post office and exchange it for a war savings stamp. For this stamp he gives his thrift card and an additional amount representing the difference between the current value of the savings stamps and four dollars, the value of the thrift card filled out. In January 1918 this difference is twelve cents, in February thirteen cents, in March fourteen cents and so on.

It must not be forgotten that an investment in a war savings stamp is absolutely safe. It can be taken to a post office and registered and if one loses it he will then be given a duplicate. Its value is constantly increasing and is printed on the face. It is the only government security which the law says shall positively increase in value.

While we say that the government needs our money it might better be said that the government needs the things our money will buy. For this there are two essentials, it must have the money and we must not buy the things the government wants. Every time we spend money for a purpose not necessary for goods or service, we are compelling the government to compete with us. If laborers and manufacturers are busy supplying our needs, the needs of our soldiers must be neglected. We must not purchase what we do not absolutely need. With the money thus saved we can buy thrift stamps and war savings stamps and thus twice serve our country.

Boys and girls of Vermont:

The United States is at war. At war with an enemy ruthless, relentless and merciless. An enemy who will fight to the utmost, disregarding all neutral rights, mindful of no feelings of humanity. Its every re-

source must be exhausted, its last man drawn into the swirling vortex of war, the ultimate strength of each human unit made to yield to a superior force, the only god the imperial German government knows, before peace will come.

Upon such an undertaking has our nation entered. The ultimate victory must be ours, but it will not be ours until by sacrifice we shall gain the right to be called victors. Money and material are but the least that must be given. The blood of our best young men, the promise of American life, must freely flow on the fair fields of France ere democracy, through the supreme sacrifice, is made secure.

You have learned how the war came to America, why America fights, the real problems of raising an army and navy, of manufacturing and furnishing them supplies and of helping supply our allies, of building a fleet of merchant and transport ships sufficient to balance the toll of the deadly submarine, of producing and conserving sufficient food to insure that not only our allies but we ourselves may be kept free from the pangs of hunger and threatening starvation. How the mere money cost of it all must be met by each individual's saving, thrift and doing without has been explained in the account of the war savings stamps and thrift stamps by means of which every man and woman, boy and girl may become a real enemy of the German kaiser, an actual defender of American liberty and American right, a fighter in the cause of democracy.

Never before in the history of our country or of any country has there been offered to every citizen, even our school boys and girls, an opportunity such as is now laid before you. Yours is the privilege of practicing the homely virtue of thrift, of doing without the unessential things, of saving your nickels and your dimes for the purchase of war savings stamps. By your sacrifice our armies can be

equipped and the forces of our allies supplied. In the victory that must be ours you will have nobly done your share.

Boys and girls of Vermont, sons and daughters of a state that has never yet failed our nation in time of need, lead on to victory!

A TEACHING PLAN

MAIN PROBLEM.

Does a Vermont boy or girl who invests his savings in government savings stamps and bonds show good business judgment as well as a keen sense of patriotic duty?

(A) As a Patriotic Duty

Minor Problems

1. What is America fighting for?
2. How are our government's war needs supplied?
3. Our personal responsibility and opportunity.

(B) As an Investment

Minor Problems

1. What opportunities has one with a limited income in our community to make investments?
2. How may we determine the value of an investment?
3. How does the purchase of government savings stamps and bonds compare with other available investments?

(A) As a Patriotic Duty

Minor Problem number 1. What is America fighting for?

1. Reasons assigned by Congress when war was declared.
2. Our war aims: (a) As stated by President Wilson in the following papers: Messages to Congress, Reply to the Pope's Peace Proposal, Message to Russia, Flag Day Address, June 14, 1917. (b) As stated by members of the President's cabinet and members of Congress, notably Sec. Baker, Sec. Lansing, and Sec. Lane.
3. War aims of the Central Powers.
4. What failure to win the war would mean to Vermont boys and girls.
5. Conclusions.

Minor Problem number 2. How are our government's war needs supplied?

1. Soldiers and sailors.
2. Munitions and army supplies.
3. Hospitals, surgeons, nurses, supplies.
4. Ships.
5. Food for ourselves and our allies.
6. Fuel for ourselves and our allies.
7. Money.
 - (a) Amount needed.
 - (b) Raised by (1) taxation and (2) borrowing (Bonds, Loans).
8. How England, France, and Germany have supplied these needs.
9. Conclusions.

Minor Problem number 3. Our personal responsibility and opportunity.

1. Why and how our government came into existence.
 - (a) What it does for us.
 - (b) Our obligation in return.
2. Need for united effort in order to preserve our national ideals—our government.
3. Our responsibility as compared with that of older citizens.
4. Aggregate importance of small loans and contributions.
5. Our opportunities to render patriotic services.
6. Conclusions.

General conclusion as to the desirability of our making the investment as a patriotic duty.

(B) As an Investment.

Minor Problem number 1. What opportunities has one with a limited income to make investments in our community?

1. Savings Banks, Postal Savings.
2. Real Estate, live stock, etc.
3. Borrowing from bank for investment.
 - (a) Promissory note.
 - (b) Security.
 - (c) Interest.
4. Types of life insurance.
5. Stock in stock companies, corporations. Broker, brokerage.
6. Corporation, municipal, state bonds.
7. Government bonds and savings stamps.
8. Conclusions.

Minor Problem number 2. How may we determine the value of an investment?

1. Safety.
2. Net income from investment.
3. Regularity of income.
4. Expense connected with making the investment.
 - (a) Brokerage, Commissions, Fees, Bonus.
5. Ease of making the investment and collecting the income. Kinds of bonds, coupon, registered, etc.
6. Daily market value as quoted in daily papers.
7. Conditions which cause the value to fluctuate.
8. Conclusions.

Minor Problem number 3. How does the purchase of government savings stamps and bonds compare with other available investments?

1. Conclusions from minor problems one and two.
2. Comparisons.
3. How may they be purchased.

General conclusions.

Note to teachers: The general conclusions should involve definite plans of action as well as desirability of investment.

SUGGESTIONS FOR TEACHERS.

The fundamental purpose of this curriculum is to give pupils an understanding of bonds and related subjects and to create an intelligent interest in the purchase of government savings stamps. The subordinate purposes are: (1) to teach pupils how to investigate and organize a subject of study; (2) to bring about a proper correlation in several school subjects dealing with different phases of the same subject; (3) to show the proper place of numerical problem solving in the treatment of such a topic in the arithmetic class; (4) and in short to furnish a teaching plan worthy of imitation in the various subjects of study.

The Plan and its Purposes. The subject is to be approached and the material organized around an appealing problem—one that appeals to the pupils as *their* problem and one which they *desire* to study.

An interest in the problem is usually aroused in a preliminary discussion where the subject is introduced and the pupils are free to express their opinions. The following principles should be observed: (1) The subject matter must deal with present day interests of the pupils. It must be intimately related with what they may hear, see and talk about outside of the school room. (2) The pupils must be dominant partners in the business of selecting the problem to be studied. (3) The careful wording of the problem is most essential both for clearness of understanding of what they are trying to do and because upon the wording frequently depends the kind and amount of interest aroused. The judgment of the pupils themselves can be relied upon in this selection. (4) The minor problems showing upon what knowledge the solution of the main problem depends should be determined by the pupils under the direction of the teacher. The pupils are entitled to see the subject from end to end in order that they may know why they are required to get certain information. (5) In this type of work so many interesting "side issues" will arise that the teacher and pupils must con-

How to get the Problem.

stantly guard against being led away from the point under consideration. It is valuable training for pupils to select those things which are vitally related to the topic of study and to reject all else. Interesting problems suggested for future study should be recorded. (6) Pupils must come to definite conclusions and they should go on record by stating them clearly and concisely. Much otherwise good teaching is ineffective because teachers and pupils assemble facts but they arrive at no new conclusions. The children fail to see what it is all about. Teachers should bear in mind that it is just as important to finish a subject well as to start it well. The conclusion is really the most important part of the study.

The foregoing curriculum is given for illustrative purposes. Pupils will be much more interested in one they prepare in their own class. If teachers follow this one they should study it with the pupils in its entirety before making a detailed study leading to the solution of the problems. A pupil will do much more systematic and effective work if he sees the entire field and knows the relation of each day's work to the general subject under consideration.

Our main problem, "Does a Vermont boy or girl who invests his savings in government savings stamps and bonds show good business judgment as well as a keen sense of patriotic duty?" was selected by the seventh and eighth grade pupils in the Montpelier schools. It is divided into two main parts: (1) the purchase of bonds as a patriotic duty, and (2) the purchase of bonds as an investment. The first part of the subject should be dealt with in the civics or current history class while the other is being taught in the arithmetic class. The minor problems which must be solved before it is possible to solve the main problem are:

How to use
the Curri-
culum.

General Ex-
planation
of the Teach-
ing Plan.

(A) Patriotic Duty,

1. What is America fighting for?
2. How are our government's war needs supplied?
3. Our personal responsibility and opportunity.

(B) As an Investment,

1. What opportunities has one with a limited income to make investments in our community?
2. How may we determine the value of an investment?
3. How does the purchase of government savings stamps and bonds compare with other available investments?

A preliminary study is made of each minor problem and points to be investigated are noted. This work should be taken up by the class in order that they may appreciate the whole problem and to arouse an interest in it. Assignments are not made as so many pages of text. A minor problem or a part of it is assigned. The pupil is to use the index in order to locate in the text such material as he needs. To facilitate such work marginal notes are given which indicate the content of the paragraph. The pupils will be studying a definite subject rather than certain pages or paragraphs in the book. It is hoped that teachers will see the value of such assignments of work and make a more general use of it.

Familiarize the Pupils with the Teaching Plan.

It will be noted that much of the material may be used in English classes and a study of European geography will help to clarify many points in the minds of the pupils.

Use Material in English Classes.

In the following suggestions the Roman numerals refer to the minor problems, the Arabic to the subdivisions.

(A) As a Patriotic Duty (Civics or Current History)

- I. 1. Power of congress to declare war. Discuss reasons assigned for declaring war. 2. Careful study of President Wilson's reasons for recommending declaration of war. Summarize the causes. Parts of the President's message are well worth committing to memory by interested pupils. Compare the causes as stated by the president with those stated by others.
3. Compare the war aims of the central powers with the war aims of America. Contrast attitude

Detailed Suggestions for Minor Problem AI.

of the Kaiser and the President. Democracy vs. Autocracy. 4. Probable results if Germany should win. Brief study of freedom of our school system as compared with that of Germany. (See "Century" for Dec. 1917). Emphasize fact that interest is personal not simply a problem for grown-ups. 5. Each pupil should state in his own words an answer to the question, "What is America fighting for?" Discuss these in class and let the class adopt an answer to the question.

We are at war in a good cause. We must succeed. Our needs are great. How are they to be supplied?

1. Requirements for enlistment in various departments. The draft law, its purpose and how it operates. A democratic army. (See Ladies Home Journal Jan. 1918). 2. How the government is supplying munitions, etc. Congressional investigations. Use of private plants. Drafted men assigned to work in munition plants. Work of women. Clothing and other supplies for soldiers. A fully equipped soldier. Needs of a million men. How paid for. 3. The government's provision for hospitals and medical supplies. The Red Cross—what it is, what it does—and how it is supported. Y. M. C. A., Y. M. H. A., K. of C. Other agencies. 4. The need for ships. The building program. Transportation problems. Government operation of railroads. Coal and sugar shortages. How can we help? 5. Production and conservation. Mr. Hoover and his work. America's responsibility and our part in it. 6. Dr. Garfield and the fuel problem. The "Cut-a-cord-of-wood" movement. How can we help? 7. Power of congress to raise money. Kinds of taxes. (Direct, customs duties, excise, income, etc.) Loans. Little opportunity to borrow from other countries. We are the lenders in this war. The government must either tax the

A II.

**Detailed
Suggestions
for Minor
Problem
A II.**

people or must borrow from them. Bonds evidence of loans made to our government. Use of bonds by corporations, towns, states, etc. (This work is paralleled in the arithmetic class by additional study and problem solving for illustrative purposes. See suggestions under B. I. 6.) If we lead up to the use of the word "bond" in this way the pupils have a back ground for appreciating its purposes and nature. Examine a bond. 8. What we may learn by the experiences of our allies. How they have shown their patriotism, etc. 9. A concise definite statement in answer to the question, "How our government's needs are supplied?"

A III.
Detailed
Suggestions
for Minor
Problem.

A III.

1. America's aims now and in 1776. Recall previous study made of what our government does for us and our obligation in return. 2. "Of the people, for the people, by the people." Franklin's advice to colonists concerning unity. Entente Allies plans for united effort. Every citizen's war. 3. See A, I, 4. Our responsibility just as great, our cooperation just as important, our aid just as valuable as that of our elders. 4. Why Secretary McAdoo and others prefer a large number of small bond holders to a small number of large bond holders. Number of people subscribing to liberty loans of 1917. Amount of loans. Amount to be raised by sale of savings stamps. \$20 a person—man, woman and child. As an illustration of aggregate importance of small contributions call attention to results of efforts of Green Mountain Guards. 5. List opportunities for patriotic services which are open to Vermont boys and girls. Emphasize purchase of savings stamps. 6. Require each pupil to state with reasons his conception of his own responsibility and opportunity in helping to finance the war.

As an Investment (Arithmetic class work.)

(B)

No new mathematical principles are involved in this work. The pupils should be made thoroughly familiar with the business setting which gives rise to the problem. The solution of actual numerical problems is incidental and reinforcing and affords an opportunity for the pupils to apply the mathematical principles with which they are acquainted. Much of the best class work in arithmetic in these subjects will not concern itself with numerical problem solving but will prepare the way for an intelligent interpretation of the problems. If the pupil understands just what the problem means its solution is easy. Types of problems in texts in rather general use in the state are referred to. Select such problems from the lists as pertain to the phase of the subject under consideration. It is very desirable to get the problem material from local, present day situations. Use newspaper quotations and by substituting present day prices, etc. modernize the problems given in the texts. Solve many new problems dealing with recent bond issues, government saving stamps, etc. All of this work will be very real and meaningful if presented as a live issue of the day.

**Proper Use of
Numerical
Problems.**

1. Savings banks in the community. How interest is computed. Have pupils bring savings bank books to class and audit them. Compare savings bank deposits with postal savings. Note advantages and disadvantages, income etc. *See W. & S. pp. 383-388, E VI pp. 34-41, W. pp. 18-20, S-B pp. 233-239, H. pp. 213-215, 227-231, T. & B. p. 54.
2. Money needed for real estate investments.

B I.

*W. & S.—Wentworth & Smith Grammar School Arithmetic, Ginn & Co. S-B.—Silver Burdett Arithmetic, Book III. H.—Hamilton School Arithmetic, American Book Co. T. & B.—Teller & Brown A First Book in Business Method, Rand-McNally & Co. E.—Every-day Arithmetic, Book III, Houghton-Mifflin Co. W.—Walsh-Suzsalo Arithmetic, Business Practice, D. C. Heath & Co.

How interest is charged on easy payment plan. See W. & S. pp. 434-435, E. VI pp. 41-46, W. p. 140.

3. Borrowing money for investment. Security needed, personal, collateral, mortgages, etc. Notes, interest, rates, how computed, etc. See W. & S. pp. 393-396, S-B 240-245. H. 231-238. T. & B. pp. 77-82, 98-102, 223, 226. E. pp. 59-70. W. pp. 140-153.

4. Kinds of life insurance. As an investment. Advantages and disadvantages over savings banks. How do these compare with postal savings, savings stamps, etc.? Insured must pay for the protection in case of death if he purchases an endowment policy, See W. & S. pp. 429-431; S-B pp. 210-212; H. pp. 186-187; E. pp. 78-79 and 144-145; W. pp. 98-99.

5. Study a local stock company. Are there partnerships in community? Advantages of stock company over partnership. Read Vermont incorporation laws. Form stock companies. Is any stock for sale? How would one desiring to purchase stock in a local company go about it? Why would he desire to own stock? How is his amount of earnings determined? Preferred stock and common stock. Evidence of ownership. (Have stock certificate at school for pupils to examine.) Suppose you desire to invest in stock of a large railroad company, how would you make the purchase? What opportunity has the broker to get information concerning stock for sale which you do not have? How does he charge for his services? Can you learn of the stock market daily? (Newspaper quotations should be studied and problems derived.) See W. & S. pp. 437-445. S-B pp. 217-227. H. pp. 248-255. T. & B. pp. 190-191, 182-190. E. pp. 44-50. W. pp. 184-198.

6. How may a man who owns property but needs

money raise it without selling property. (Mortgage.) Compare with bonds issued by corporations, etc. Rate of interest. Convertibility etc. See W. & S. 442-445, S-B pp. 217-227, H. 255-258. T. & B. pp. 223-231. E. pp. 50-53. W. pp. 199-202.

7. Government bonds and stamps compared with corporation bonds. Lending money to government at a certain rate of interest. See E. p. 51. Solve many problems based on Liberty Loan Bonds, War savings stamps, etc. 8. During this study constant comparisons should be made. The pupils should list opportunities for investment in their community.

1. Upon what does the safety of an investment depend? Compare the safety of government bonds with other bonds, stocks, etc. See W. & S. pp. 429-231. W. p. 138. E. VI pp. 35, 54, 56, 152.

2. Income computed on par value but rate of income on investment determined by purchase (market) value. Probability of change in market value of government bonds. Examine quotations on government bonds. How can one invest in government bonds? 5. Make clear the ease with which they may be purchased. No brokerage, or commission. No taxes. See W. & S. pp. 439-441 and 444-445; S-B pp. 217-227; H. pp. 255-257; T. & B. p. 192. E. VI pp. 44-52. 6 & 7. Study newspaper quotations from day to day. Note variation in price. What conditions contribute to fluctuation? See W. & S. pp. 444. T. & B. 185-193. E. VI p. 51. 8. Summarize ways for determining value of investment. See E. VI pp. 54-58. W. p. 1, 18, 138; E. VI p. 57.

B II.

**Detailed
Suggestions
for Minor
Problem.**

B III. From conclusions in B I and B II classify available investments as to desirability. Explain fully the savings stamp plan or purchase of government bonds.

General State fully and clearly your conclusion to the
Conclusion. main problem.

INDEX

All About W. S. S.

What are They?

They are War Savings Stamps;

They are of two kinds:

United States Thrift Stamps (25c. each).

United States War Savings Stamps (\$4.12 each).

Sixteen United States Thrift Stamps plus 12 cents in cash in December, 1917, or January, 1918, may be exchanged for a War Savings Stamp which, when affixed to a War Savings Certificate, is a Government obligation to pay the holder \$5 on January 1, 1923.

War Savings Stamps are as safe as the United States.

Why Should I Buy Them?

Because—we are at war;

Because—the more we save, the more labor and material will be available for the use of the Government and for the support of our Army and Navy;

Because—we must have dollars as well as men in the fight for freedom;

Because—they establish the soundest and simplest basis of saving, which is the key to individual success,

Because—War Savings Stamps increase each month in value.

How Can I Buy Them?

As simply as buying postage stamps.

Any man, woman, or child who can save 25 cents can obtain at any post office or bank a United States Thrift Stamp and a Thrift Card to which to attach it.

Where Can I Buy Them?

At the Post Office, Bank, Trust Company, and many other authorized selling agencies.

When Shall I Buy Them?

Buy them now, because they cost one cent more every month after the 31st of January, 1918.

The sooner you buy them, the more you save.

The price of War Savings Stamps is as follows:

Jan.	\$4.12	Apr.	\$4.15	July	\$4.18	Oct.	\$4.21
Feb.	4.13	May	4.16	Aug.	4.19	Nov.	4.22
Mar.	4.14	June	4.17	Sept.	4.20	Dec.	4.23

Every Stamp helps to save a life.

Every Stamp will help to end the war.

INDEX

A

A

Abraham, Father, 40.
Advertising bad investments, 48-49.
Airplanes, 25.
American Library Association, 31.
America's motive, 7-8.
Ammunition, 33.
Amusements for soldiers, 31.
Arizona, 15.
Arms, 33.
Army ,
 organization, 17;
 raising, 17.
Articles of Association, 60.
Austria, 10, 15.
Aviation, 25.
Ayer, Massachusetts, 22.

B

B

Bagdad, 15.
Bank,
 commissioner's warning to public, 47;
 savings, 49:
 by-laws, 50;
 postal savings, 55.
Baker, Secretary of War, 10.
Baltic, 10.
Bankers, 47;
 Investment Association, 48.
Beef, 27.
Belgium, 9, 11, 30.
Beneficiary, insurance, 55.
Berlin, 15.

- B** Bonds,
 abbreviations, 68;
 classes, 69-70;
 corporation, 68;
 coupon, 67;
 debenture, 66;
 government, 46, 48-49;
 government, as an investment, 68;
 government, quotations, 69;
 government, safety of, 69;
 industrial, 70;
 interest paid on, 67;
 liberty, see Liberty Bonds;
 liberty loan, 44;
 mortgage, 66;
 municipal, 70;
 municipal, as investment, 68;
 public utility, 70;
 railroad, 70;
 railroad quotations, 67;
 registered, 67, 72.
- Books, 31.
- Bread, war, 26.
- Brokers, 47, 62, 64.
- Brokerage, 64.
- Bulgaria, 10, 15.
- "Bulls and Bears", 65.

C**C**

- Cantonments, 21.
- Capital, 58.
- Capital stock, 59.
- Certificate, stock, 59.
- Classification, draft law, 18-19.
- Clothing, 33.
- Coal, 27.
- Commissioner, bank, 47.

Common stock, 61.

Compound interest, 51;
 benefits of, 54;
 grows rapidly, 52;
 progressive, 52.
 simple, 52.

Congress, extra session of, 6;
 declaration of war, 8.

Corn, 27.

Corporations, 59;
 cooperative, 60;
 directors, 60;
 how organized, 59.

Crowder, 18, 19.

Curb prices, 66.

Current History Magazine, quoted, 24, 45.

D

D

Dairy products, 26, 27.

Danger to United States, 11, 13.

Debenture bonds, 66.

Declaration of war, 8.

Democracy, 8, 10, 16.

Dependents, caring for, 33, 34.

Deposits, in savings banks, 50.

Destroyers, 33.

Devens, Camp, 22.

Diplomatic relations, breaking, 5.

Directors, 60.

Dividends, 60, 61.

Divine right, 13.

Draft law, 17.

Duty, patriotic, 44, 46.

E

E

Earnings, 63.

Economy, widespread, vital, 46;
 wise, 46.

E Edelsheim, Baron Franz Von, 13.
 Emergency Fleet Corporation, 25.
 Endowment Insurance, 55;
 as an investment, 57.
 England, sugar shortage, 27.
 European war, 5.
 Exports, 26.
 Extravagance, 34.

F**F**

Farm tools, 27.
Fertilizers, 27.
Fish, 27.
Food,
 administration, 27;
 administrator, 26;
 control law, 27;
 need, 26, 33;
 public concern, 26.
Ford, Henry,
 on thrift, 39.
France, sugar shortage, 27.
Franklin, Benjamin, 40, 42.
Fuel,
 administrator, 27;
 control law, 27;
 needs for army and navy, 27;
 shortage, 27.

G**G**

German aviators, 11.
German designs on America, 14.
German war aims, 13, 15.
Goodwill, 63.
Grain, 26.
Great Lakes, 22.

H

H

- Habit,
 how formed, 35;
 investment, 44.
Halifax disaster, 31.
Hill, James J., 38;
 idea of thrift, 39.
Hospitals, 29.
Hoarding, 27.
Hoover, Herbert, 26.

I

I

- Imperial ambitions, 15.
Insurance,
 as an investment, 57;
 endowment, 55;
 for protection, 57;
 life, 55;
 soldiers' life, 33, 34.
 weekly, 56.
Interest,
 compound, 51;
 paid on bonds, 67;
 progressive compound, 52;
 savings bank, 49, 50;
 simple compound, 52.
International law, 7.
Investments,
 advertising, 48, 49;
 advice on, 47;
 an absolutely safe, 76;
 bad practices, 48, 49;
 chapter on, 47;
 corporation bonds, 68;
 element of thrift, 46, 47;
 essentials of good, 70, 71;
 government bonds, 68;

I

- Investments,
 - income, 63;
 - judging value of, 63;
 - municipal bonds, 68;
 - poor, 47;
 - safety of, 70-72.
- Investors,
 - protection of, 47;
 - young, warning to, 47.
- Iron crosses, 12.

J

Japan, 15.

K

J

K

Kaiser, proclamations of, 13.
Knights of Columbus, 29, 31.
Kniffen, W. H., quoted, 36.
Knitted goods, 29.

L

L

Labor shortage, 28.
 Lane, Secretary of Interior, 9.
 Lansing, Secretary of State, 11.
 Lauder Harry,
 ten thrift rules, 44.
 Liberty Loan Bonds, 44;
 amount sold, 33;
 as an investment, 70, 73;
 will sell at premium, 45.
 Libraries, 31.
 Licensing, 27.
 Listed stock, 62.
 Living, promote better, 41.
 Louvain, 11.
 Lusitania, 5.

M

M

- Mare Island, Cal., 22.
Market value, 60.
McAdoo, Secretary of Treasury, 33;
 urges self-denial, 45.
Meat, 26.
Merchant marine, 33.
Mexico, 5, 15.
Mexico, German attempts in, 15.
Militarism, 10.
Money,
 amount needed, 32;
 borrowing, 32, 33;
 how expended, 33;
 needs of nation, 32;
 raised by taxes, 32, 33.
Mortgage bonds, 66.
Mortgages, 47;
 as an investment, 58;
 definition, 52.

N

N

- Navy organization, 22.
Navy training stations, 22.
National army, 17, 21.
National guard, 17, 21.
Needs, government, 32, 34;
 how supplied, 34;
 of a million soldiers, 23.
Neutrality proclamation, 5.
New Mexico, 15.
Newport, R. I., 22.
Norfolk, Va., 22.
Notes, secured by mortgage, 47.
Nurses, Red Cross, 29.

O

O

- Official Bulletin, quoted, 44, 69, 70.
Ordnance, 33.
Orphans, war, 30.

P**P**

- Partners, dormant, 58;
 - profit-sharing, 58;
 - real, 58;
 - silent, 58.
- Partnership, 58;
 - compared with corporation, 59.
- Par value, 60;
 - profits computed on, 60.
- Patriotic duty, 45, 46.
- Patriotism, 46.
- Paying for the war, 32.
- Policy, insurance, 55;
 - endowment, 55;
 - limited payment, 56;
 - ordinary life, 56;
 - whole life, 56.
- “Poor Richard,” sayings, 40.
- Pork, 27.
- Postal savings banks, 55.
- Postal savings stamps, 55.
- Preferred stock, 61;
 - liberty bonds as, 73.
- Premium, computation of insurance, 55;
 - on liberty bonds, 45.
- Premiums, insurance, table of, 56.
- President, see Wilson,
- Price fixing, 24, 27.
- Proverbs, Father Abraham’s, 40.
- Puget Sound, 22.

R**R**

- Real estate, as investment, 57, 58.
- Red Cross,
 - emergency work, 31;

R

- Red Cross, Con.—
 hospital bombed, 29;
 nurses, 29;
 reconstruction work, 30;
 recreation, 29;
 recuperation camps, 29;
 supplies, 30;
 surgical dressings, 30.
 Registration, 18.
 Regular army, 17.
 Resources, 41,
 Responsibility, personal, 10, 11.
 Revolutionary war, 10.
 Roumania, 30.
 Russia, 30.
 Ruthless warfare, 7, 15.

S

S

- Saturday Evening Post, quoted, 74.
 Saving,
 certificates, 33;
 definition, 38;
 for future, 44;
 stamps, 33, 46.
 Savings Banks,
 by-laws, 50;
 compound interest paid, 51;
 deposits, 50;
 interest, 49, 50;
 postal, 55;
 Vermont Law, 49;
 withdrawals, 50.
 Schemes, fraudulent, 48.
 Secretary of interior, 9.
 Secretary of navy, 22.

- S**
- Secretary of war, 10, 17.
 - Security,
 - bank book as collateral, 54;
 - price of, 63.
 - Selective draft, 17-21.
 - Self-denial, practice, 45.
 - Serbia, 15, 30.
 - Service, 42, 43.
 - Share of stock, 59.
 - Shipping board, 24, 25.
 - Ships, 24;
 - German, 25;
 - steel, 25;
 - wooden, 25.
 - Soldier, earning power, 34.
 - Soldiers, needs of a million, 23.
 - South America, 16.
 - Spy system, German, 5.
 - Stamps, see war savings and postal savings stamps.
 - Statements, financial, 64.
 - Stock, certificate, 59;
 - common, 61;
 - "Listed," 62;
 - preferred, 61;
 - transfer of, 62.
 - Stock company, 59;
 - cooperative, 60;
 - how organized, 59.
 - Stock exchange, 62;
 - membership in, 62;
 - New York, 62.
 - Stockholders, 59.
 - Stock, quotations, 65.
 - Submarine,
 - and food supply, 26;
 - chasers, 33;
 - warfare, 5, 6, 7, 11, 25.

Supplies, 23.
Sugar scarcity, 27.
Suggestions to teachers, 84.

S

T

Taxes, exemptions, 72; 84.
war, 32.
Teaching plan, 79.
Texas, 15.
Thrift,

T

antidote for worry, 37;
definition, 35, 36;
driving power of, 42;
Ford on, 39;
habit, 35, 37;
Hill, idea of, 39;
importance of, 35;
investment element of, 46;
learn it early, 39;
makes for strength, 37;
proverbs, 40;
rules, 36, 38;
rules, 36, 38;
what it is not, 36;
what it will do, 38.

Thrift stamps, 76.

Training camps, 21.

Treasury, secretary of, 33.

Turkey, 7, 15.

V

V

Value, market, 60;
par, 60.

Vanderlip, Frank A., 74.

W

W

- Wants, its causes, 41.
- War aims of United States,
 - Baker, 10;
 - Lane, 9;
 - Lansing, 11;
 - in 1776, 10;
 - Wilson, President, 8.
- War bread, 26.
- Warning to investors, 47.
- War savings certificates, 33.
- War savings stamps, 33, 74-76.
- War tax bill, 32.
- War taxes, 32.
- Waste, costly habit, 37.
- West Indies, 27.
- Wheat, 26, 27.
- William II, 13.
- Williams, Frank C., 47.
- Wilson, President,
 - flag day address, 15;
 - message to Congress, 6-8, 17;
 - neutrality proclamation, 5;
 - on cost of war, 45;
 - organizing for war, 17.
- Women workers, 34.

Y

Y

- Y. M. C. A., 29, 31.
- Y. M. H. A., 29, 31.
- Youth's Companion, quoted, 42.

CAUTION

THE BORROWER WILL BE CHARGED
AN OVERDUE FEE IF THIS BOOK IS NOT
RETURNED TO THE LIBRARY ON OR
BEFORE THE LAST DATE STAMPED
BELOW. NON-RECEIPT OF OVERDUE
NOTICES DOES NOT EXEMPT THE
BORROWER FROM OVERDUE FEES.

STALL STUDY
CANCELLED

